

NATIONAL
INDIAN
GAMING
COMMISSION

FEB 29 1996

Michelle Salgado
Chairperson
Cahuilla Band of Indians
P.O. Box 391760
Anza, CA 92539

Dear Chairperson Salgado:

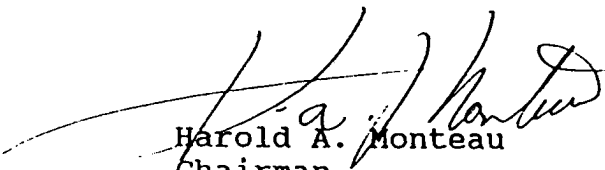
This letter responds to your request to review and approve the tribal gaming ordinance, Ordinance No. 2, adopted on September 10, 1994, by the Cahuilla Band of Indians (Tribe). This letter constitutes such approval under the Indian Gaming Regulatory Act (IGRA).

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

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

Thank you for submitting the ordinance of the Cahuilla Band of Indians for review and approval. The NIGC staff and I look forward to working with you and the Tribe in implementing the IGRA.

Sincerely yours,



Harold A. Monteau
Chairman

cc: Eugene R. Madrigal, Esq.

CAHUILLA BAND OF INDIANS
CLASS II GAMING ORDINANCE

I. Purpose

The General Council of the Cahuilla Band of Indians (hereafter "Tribe"), exercising its governmental powers as a sovereign Tribe to enact ordinances, hereby enacts this Ordinance in order to set the terms for the conduct of Class II gaming operations on tribal lands.

II. Gaming Authorized

Class II gaming as defined in the Indian Gaming Regulatory Act. P.L. 100-447, 25 U.S.C. Section 2703 (8) ("IGRA") and by the regulations promulgated by the National Indian Gaming Commission at 25 C.F.R. 502.3 (as published in the Federal Register at 57 FR 12382-12393, April 9, 1992) is hereby authorized.

III. Ownership of Gaming

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

IV. Use of Gaming Revenue

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

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

V. Audit

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

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

VI. Protection of the Environment and Public Health and Safety

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

VII. Licenses for Key Employees and Primary Management Officials

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

A. Definitions

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

1. Key employee means

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

- (1) Bingo caller;
- (2) Counting room supervisor;
- (3) Chief of security;
- (4) Custodian of gaming supplies or cash;
- (5) Floor manager;
- (6) Pit boss;
- (7) Dealer;
- (8) Croupier;
- (9) Approval of credit; or
- (10) Custodian of gambling devices including persons with access to cash and accounting records within such devices;

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

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

(2) Primary management official means

(a) The person having management responsibility for a management contract;

(b) Any person who has authority;

(1) To hire and fire employees; or

(2) To set up working policy for the gaming

operation; or

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

B. Application Forms

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

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

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

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

- (a) Complete a new application form that contains a Privacy Act Notice: or
- (b) Sign a statement that contains the Privacy Act notice and consent to the routine uses described in that notice.

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

A false statement on any part of your application may be grounds for not hire you, or for firing you

after you begin work. Also, you may be punished for fine or imprisonment. (U.S. Code, Title 18, Section 1001.)

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

- (a) Complete a new application form that contains a notice regarding false statements; or
- (b) Sign a statement that contains the notice regarding false statements.

C. Background Investigations

1. The Tribe shall request from each primary management official and from each key employee all of the following information:

- (a) Full name, other names used (oral or written), social security number(s), birth date, place of birth, citizenship, gender, all languages (spoken or written);
- (b) Currently and for the previous 5 years; business and employment positions held, ownership interest in those businesses, business and residence addresses, and drivers license numbers;
- (c) The names and current addresses of at least three personal references, including one personal reference who was acquainted with the applicant during each period of residence listed under paragraph (1) (b) of this section;
- (d) Current business and residence telephone numbers;
- (e) A description of any existing and previous business relationships with Indian tribes, including ownership interest in those businesses;
- (f) A description of any existing and previous business relationships with the gaming industry generally, including ownership interests in those businesses;
- (g) The name and address of any licensing or regulatory agency with which the person has filed an application for a license or permit related to gaming, whether or not such license or permit was granted;
- (h) For each felony for which there is an ongoing

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

- (i) For each misdemeanor conviction or ongoing misdemeanor prosecution (excluding minor traffic violations), within 10 years of the date of the application, the name and address of the court involved and the date and disposition;
- (j) For each criminal charge (excluding minor traffic charges), whether or not there is a conviction, if such criminal charge is within ten years of the date of the application and is not otherwise listed pursuant to paragraph (1)(h) or (1)(i) of this section, the criminal charge, the name and address of the court involved and date and disposition;
- (k) The name and address of any licensing or regulatory agency with which the person has filed an application for an occupational license or permit, whether or not such license or permit was granted;
- (l) A current photograph;
- (m) Any other information the Tribe deems relevant; and
- (n) Fingerprints consistent with procedures adopted by the Tribe according to 25 C.F.R. 522.2(h).

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

D. Eligibility Determination

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

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

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

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

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

F. Report to the National Indian Gaming Commission

1. Pursuant to the procedures set out in subsection E of this section, the Tribe shall prepare and forward to the National Indian Gaming commission an investigative report on each background investigation. An investigative report shall include all of the following:

- (a) Steps taken in conducting a background investigation;
- (b) Results obtained;
- (c) Conclusions reached; and
- (d) The basis for those conclusions.

2. The Tribe shall submit, with the report, a copy of the eligibility determination made under subsection D of this section.

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

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

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

G. Granting a Gaming License

1. If, within a thirty day period after the National Indian Gaming Commission received a report, the National Indian Gaming Commission notifies the tribe that it has no objection to the issuance of a license pursuant to a license application filed by key employee or a primary management official for whom the Tribe has provided an application and investigative report to the National Indian Gaming Commission, the Tribe may issue a license to such applicant.

2. The Tribe shall respond to a request for additional information from the Chairman of the National Indian Gaming Commission concerning a key employee or a primary management official who is the subject of a report. Such a request shall suspend the thirty day period under paragraph G1, of this section until the Chairman of the National Indian Gaming receives the additional information.

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

H. License Suspension

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

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

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

VIII. License Locations

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

IX. Repeal


All prior gaming Ordinances are hereby repealed.

X. Effective Date, Amendment, Repeal

This Ordinance shall be adopted by a mailed ballot vote. A majority vote of those actually voting in such election shall determine passage. This Ordinance shall be amended or repealed by a mailed ballot vote in which two-thirds of those actually voting cast a vote calling for such amendment or repeal. This Ordinance shall be effective upon approval by the National Indian Gaming Commission.

CERTIFICATION

As Chairperson and Council of the Cahuilla Band of Indians, we do hereby certify that the above Ordinance No. 2 was adopted by the General Council of the Cahuilla Band of Indians on the 10th day of September 1994, by a duly called and noticed mailed ballot vote of 42 for, 5 against and 0 abstaining, and said ordinance has not been rescinded or amended in any way.


Michelle Salgado, Chairperson

Leroy Salgado, Vice-Chairperson


Dolores Alvarez, Secretary


Patricia Liera, Council Member


Louis Madrigal, Council Member

ATTACHMENT NO. 1

PROCEDURES FOR BACKGROUND INVESTIGATIONS OF KEY EMPLOYEES AND PRIMARY MANAGEMENT OFFICIALS OF THE CAHUILLA TRIBAL GAMING FACILITY

1. Responsibility for the Investigations. The Cahuilla Band of Indians (hereafter Band or Tribe), through the Cahuilla Gaming Commission, appointed by the Cahuilla General Council, shall be responsible for ensuring that background investigations are conducted concerning all key employees and primary management officials, as defined in section 7(A) of the Tribe's Class II Gaming Ordinance, of its tribal gaming facility, as required by 25 C.F.R. section 522.2(b).

2. Conduct of the Background Investigations. The Tribe designates the Cahuilla Gaming Commission to conduct said background investigations.

3. Procedures for the Background Investigations. In order to provide a basis for the Tribe, through its appointed gaming commission, to make a finding concerning the eligibility for employment in a gaming operation, said background investigations shall include:

a. Verification by written or oral communication of the information submitted by the applicant;

b. An inquiry into the applicant's prior activities, criminal record, if any, and reputation, habits and associations;

c. Interviews with a sufficient number of people such as former employers, personal references, and others with sufficient knowledge of said applicant;

d. Documentation setting forth the disposition of all potential problem areas and disqualifying information which is obtained;

e. The obtaining and processing of fingerprints from each applicant. The Tribe has created the Cahuilla Police Department, Background's Unit, to assist the Gaming Commission, and designates that agency to obtain said fingerprinting, and designates the National Indian Gaming Commission to process said fingerprint cards through the Federal Bureau of Investigation.

4. Reports Regarding the Background Investigations. Reports regarding all background investigations shall be reviewed and approved by the Tribe's gaming commission. Said reports shall set forth the following:

- a. The steps taken in conducting the background investigations;
- b. The results obtained.
- c. The conclusions reached; and
- d. The bases for those conclusions.

5. Submission of Reports to Commission. The members of the Cahuilla Gaming Commission, appointed by the General Council of the Cahuilla Tribe, shall be responsible for submitting the reports referred to above to the National Indian Gaming Commission.

ATTACHMENT NO. 2

RESOLUTION OF DISPUTES

1. Dispute Resolution Procedures.

(a) Whenever a patron of the gaming facility disputes the resolution of a conflict by the Manager of the gaming facility or its employee(s), whether such dispute concerns payment of alleged winnings to a patron or other matters, and the Manager and the patron are unable to resolve the dispute to the satisfaction of the patron, Manager shall inform the patron of his/her right to request that the Cahuilla Gaming Commission conduct an investigation. The Cahuilla Gaming Commission shall conduct whatever investigation it deems necessary and shall determine what resolution of the dispute shall be made.

(b) **Notice to Patrons.** Within thirty (30) days after the date that the Cahuilla Gaming Commission first receives notification from the Manager or a request to conduct an investigation from a patron, the Cahuilla Gaming Commission shall mail written notice by certified mail, return receipt requested, to the Manager and to the patron setting forth the decision resolving the dispute.

(c) **Effective Date of Decision.** The decision of the Commission is effective on the date it is received by the aggrieved party, as reflected on the return receipt.

(d) Within thirty (30) days after the date of receipt of

the written decision of the Commission, the aggrieved party may file a written request with the Cahuilla Gaming Commission asking for a review of the decision. The Cahuilla Gaming Commission shall then set a hearing on the matter to held within fourteen days of the receipt of such written request. Any written documentation, or names of witnesses to be called, must be provided to the Commission at least seven days prior to the hearing date. The Commission shall then issue a written decision within seven days of the hearing, and shall mail a copy to the patron. The decision of the Cahuilla Gaming Commission shall then be final and binding upon the patron and Manager, and shall NOT be subject to judicial review or to other legal action in Federal, state or tribal court.