



JUL 21 2004

David Lopeman, Chairman  
Squaxin Island Tribe  
70 S.E. Squaxin Lane  
Shelton, WA 98584

Subject: Amendment to the Squaxin Island Tribe's Gaming Code

Dear Chairman Lopeman:

This letter is in response to your request for the National Indian Gaming Commission (NIGC) to review and approve the Squaxin Island Tribe's Amended Gaming Ordinance (Gaming Ordinance), Resolution No. 04-48, approved by the Tribal Council on July 8, 2004.

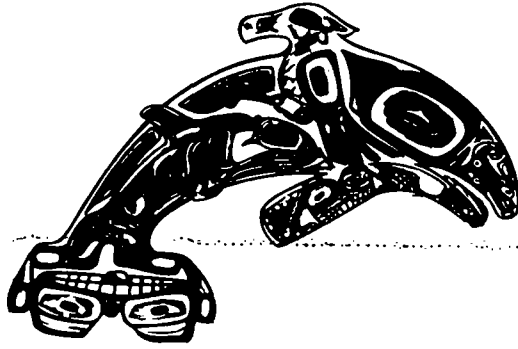
This letter constitutes such approval under the Indian Gaming Regulatory Act (IGRA). It is important to note that the Gaming Ordinance is approved for gaming only on Indian lands, as defined in the IGRA, over which the Tribe has jurisdiction.

Thank you for submitting the Gaming Ordinance for review and approval. The NIGC staff and I look forward to working with you and the Squaxin Island Tribe on future gaming matters.

Sincerely,

A handwritten signature in black ink, appearing to read "Philip N. Hogen", is written over the word "Sincerely,".

Philip N. Hogen  
Chairman



## SQUAXIN ISLAND TRIBE

RESOLUTION NO. 04-48  
Of the  
SQUAXIN ISLAND TRIBAL COUNCIL

**WHEREAS**, the Squaxin Island Tribal Council is the Governing Body of the Squaxin Island Tribe, its members, its lands, its enterprises, and its agencies by authority of the Constitution and Bylaws of the Squaxin Island Tribe, as approved and adopted by the General Body and the Secretary of the Interior on July 8, 1965; and

**WHEREAS**, the Tribe is a federally-recognized Indian Tribe possessing reserved powers, including the powers of self-government; and

**WHEREAS**, under the Constitution, Bylaws and inherent sovereignty of the Tribe, the Squaxin Island Tribal Council is charged with the duty of protecting the health, security, education and general welfare of tribal members, and with protecting and managing the lands and treaty resources and rights of the Tribe; and

**WHEREAS**, the Squaxin Island Tribal Council has been entrusted with the creation of ordinances and resolutions in order to fulfill their duty of protecting the health, security, education and general welfare of tribal members, and of protecting and managing the lands and treaty resources of the Tribe; and

**WHEREAS**, the Squaxin Island Tribal Council finds that regulation of gaming on all lands within the jurisdiction of the Squaxin Island Tribe is essential to the health and welfare of the Squaxin Island Tribe and its members; and

**WHEREAS**, the Squaxin Island Tribal Council further finds that the Squaxin Island Gaming Ordinance (Squaxin Island Tribal Code, Chapter 6.08) as amended by Resolutions 03-99 and 04-10 of the Squaxin Island Tribal Council does not meet all requirements of the Indian Gaming Regulatory Act (IGRA) or the regulations promulgated by the National Indian Gaming Commission (NIGC) thereunder;

**NOW THEREFORE BE IT RESOLVED**, that the Squaxin Island Tribal Council hereby repeals Resolutions 03-99 and 04-10; and

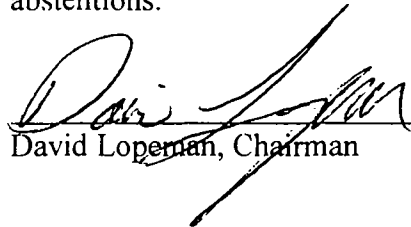
**NOW THEREFORE BE IT FURTHER RESOLVED**, that the Squaxin Island Tribal Council hereby adopts revisions to the Squaxin Island Gaming Ordinance as attached hereto, effective immediately.

**NOW THEREFORE BE IT FURTHER RESOLVED**, that the Squaxin Island Tribal Council hereby directs that this Resolution be submitted to the NIGC for approval; and

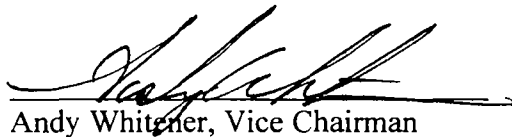
**NOW THEREFORE BE IT FINALLY RESOLVED**, that the Squaxin Island Tribal Council hereby authorizes and directs the Squaxin Island Legal Department to take all actions necessary to obtain NIGC approval of the revisions to the Squaxin Island Gaming Ordinance adopted by this Resolution.

**CERTIFICATION**

The Squaxin Island Tribal Council does hereby certify that the foregoing Resolution was adopted at the regular meeting of the Squaxin Island Tribal Council, held on this 8<sup>th</sup> day of July, 2004 at which time a quorum was present and was passed by a vote of 4 for and 0 against with 0 abstentions.

  
David Lopenan, Chairman

Attested by:   
Vince Henry, Sr., Secretary

  
Andy Whitener, Vice Chairman

## Chapter 6.08

### GAMING

#### Sections:

- 6.08.010 Statement of purpose.
- 6.08.020 Short title.
- 6.08.030 Interpretation.
- 6.08.040 Policy.
- 6.08.050 Definitions.
- 6.08.060 General prohibition.
- 6.08.070 Individually owned gaming operations.
- 6.08.080 Gaming activities.
- 6.08.090 The Squaxin Island Gaming Commission.
- 6.08.100 Operations.
- 6.08.110 ~~Name tags~~ Identification Badges.
- 6.08.120 Violations--Jurisdiction.
- 6.08.130 Net revenue tax.
- 6.08.140 Internal Revenue Service.
- 6.08.150 Designation of an agent for service of process.
- 6.08.160 Severability clause.
- 6.08.170 Enactment of tribal-state compact.
- 6.08.180 Dispute resolution procedures.

#### 6.08.010 Statement of purpose.

A chapter to govern and regulate the operation, conduct and playing of (1) "Class I gaming" and (2) "Class II gaming," as defined by the Indian Gaming Regulatory Act of 1988, 25 U.S.C. Section 2701, et seq. (the "Act"); and (3) "Class III gaming" as defined by the Act and as authorized by and pursuant to the provisions of a tribal-state compact under the provisions of the Act, so that revenue may be produced for the support of tribal government programs which promote economic development and for the health, education and welfare of the Tribe and its members. (Res. 94-78 (part))

#### 6.08.020 Short title.

This chapter may be cited as the gaming ordinance of the Squaxin Island Tribe of the Squaxin Island Reservation located in Mason County, Washington. (Res. 94-78 (part))

#### 6.08.030 Interpretation.

This chapter shall be deemed an exercise of the sovereign power of the Squaxin Island Tribe and all provisions of this chapter shall be liberally construed for the accomplishment of the statement of purpose. (Res. 94-78 (part))

#### 6.08.040 Policy.

A. Proprietary Interests. The Squaxin Island Tribe shall have the sole proprietary interest, authority and responsibility for the conduct of any Class II gaming conducted on the Indian

lands and shall have the sole proprietary interest and responsibility for the conduct of any Class III gaming conducted on the Indian lands.

B. Use of Gaming Revenues. The net revenues of any tribal Class II and Class III gaming are not to be used for purposes other than:

1. To fund tribal governmental operations or programs;
2. To provide for the general welfare of the Tribe and its members;
3. To promote tribal economic development;
4. To donate to charitable organizations; or
5. To help fund operations of local government agencies.

C. Prohibition on Per Capita Payments. The net revenues from gaming activities may be used to make per capita payments to members of the Tribe if done so in accordance with IGRA Section 2710(b)(3).

D. Annual Audits. Annual outside independent certified audits of Class II and Class III gaming conducted by the Tribe pursuant to the provisions of a tribal-state compact shall be caused to be produced and the results of those audits shall be submitted to the ~~National Indian Gaming Commission~~ NIGC and made available to any federal agencies authorized by federal law to obtain copies of the results of those audits. Such audits shall be deemed to be confidential and proprietary information and not subject to disclosure without the express written approval of the commission.

E. Gaming Related Contracts. All gaming related contracts that result in purchases of supplies, services or concessions for more than twenty-five thousand dollars (\$25,000.00) annually, except contracts for professional, legal or accounting services, shall be included within the scope of the independent audits conducted under subsection D of this section.

F. Background Investigations and Licensing. The Tribe shall perform background investigations and issue licenses according to the requirements of Section 6.08.080, which shall be at least as stringent as those required by federal law, including 25 CFR Parts 556 and 558.

G. License Required. The ~~Tribe~~ Squaxin Island Gaming Commission (the "Commission") shall issue a separate license to each place, facility or location on Squaxin Island lands where the ~~Tribe~~ Commission elects to allow either Class II or Class III gaming.

H. Environmental, Public Health and Safety Protection. The Tribe shall construct and maintain the gaming facilities and operate Class II and Class III gaming in a manner which adequately protects the environment and the public health and safety.

I. Cooperation with Law Enforcement. Tribal officials may cooperate with law enforcement officials of the state of Washington, the Bureau of Indian Affairs, the Federal Bureau of Investigation, and other law enforcement agencies, when it is deemed to be in the best interest of the Tribe to assure that fair, honest and efficient gaming activities are conducted by the Tribe and, as to Class III gaming, such law enforcement activities and responsibilities shall be consistent and in accordance with the provisions of a tribal-state compact. (Res. 04-10 (part); Res. 94-78 (part))

#### **6.08.050 Definitions.**

In this chapter, unless the context requires otherwise:

A. Definitions Incorporated. The definitions of the IGRA Section 2703 and the ~~National Indian Gaming Commission~~ NIGC issued pursuant to Section 2706(b)(10) now existing, 25 CFR Part 502, or as may be hereinafter adopted or amended shall apply and are hereby adopted and incorporated to the extent necessary and not inconsistent with this chapter.

"Act" means the Indian Gaming Regulatory Act, Pub.L. 100-497, 25 U.S.C. Section 2701 et seq. and 18 U.S.C. Section 1166 et seq.

"Class II gaming" means Class II gaming as defined by the Act;

(a) Bingo or lotto (whether or not electronic, computer, or other technologic aids are used) when played by:

(1) Play for prizes with cards bearing numbers or other designations;

(2) Cover numbers or designations when object, similarly numbered or designated, are drawn or electronically determined; and

(3) Win the game by being the first person to cover a designated pattern on such cards;

(b) If played in the same location as bingo or lotto, pull-tabs, punch boards, tip jars, instant bingo, and other games similar to bingo;

(c) Nonbanking card games that:

(1) State law explicitly authorizes, or does not explicitly prohibit, and are played legally anywhere in the state; and

(2) Players play in conformity with state laws and regulations concerning hours, periods of operation, and limitations on wagers and pot sizes;

(d) Card games played in the states of Michigan, North Dakota, South Dakota, or Washington if:

(1) An Indian tribe actually operates the same card games as played on or before May 1, 1988, as determined by the Chairman; and

(2) The pot and wager limits remain the same as on or before May 1, 1988, as determined by the Chairman;

(e) Individually owned class II gaming operations --

(1) That were operating on September 1, 1986;

(2) That meet the requirements of 25 U.S.C. 2710(b)(4)(B);

(3) Where the nature and scope of the game remains as it was on October 17, 1988; and

(4) Where the ownership interest or interests are the same as on October 17, 1988.

"Class III gaming" means Class III gaming as defined by the Act, or as authorized by judicial determination, federal regulation or federal pronouncement and as authorized and conducted by the Tribe in accordance with and pursuant to the provisions of a tribal-state compact and this chapter, and includes all forms of gaming that are not class I gaming or class II gaming, including but not limited to:

(a) Any house banking game, including but not limited to --

(1) Card games such as baccarat, chemin de fer, blackjack (21), and pai gow (if played as house banking games);

(2) Casino games such as roulette, craps, and keno;

(b) Any slot machines as defined in 15 U.S.C. 1171(a)(1) and electronic or electromechanical facsimiles of any game of chance;

(c) Any sports betting and parimutuel wagering including but not limited to wagering on horse racing, dog racing or jai alai; or

(d) Lotteries.

"Commission" means and refers to the Squaxin Island Gaming Commission.

"Contractor" means and refers to any management contractor who operates for the Tribe, tribal premises used for Class II or Class III gaming, or operates as lessee under a lease with the Tribe and any lessor of gaming equipment or supplier of gaming services to the Tribe.

"Indian lands" means:

(a) Land within the limits of the Squaxin Island Reservation; or

(b) Land over which the Squaxin Island Tribe exercises governmental power and that is either --

- (1) Held in trust by the United States for the benefit of any Indian tribe or individual; or
- (2) Held by an Indian Tribe or individual subject to restriction by the United States against alienation.

"Key employee" means and refers to (a) a person who performs one or more of the following functions: bingo caller; counting room supervisor; chief of security; custodian of gaming supplies or cash; floor manager; pit boss; dealer; croupier; approver of credit; or 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 fifty thousand dollars (\$50,000.00) per year; or, (c) if not otherwise included, the four most highly compensated persons in the gaming operation.

"Net revenues" means gross gaming revenues of an Indian gaming operation less --

(a) Amounts paid out as, or paid for, prizes; and

(b) Total gaming-related operating expenses, excluding management fees.

"Person" means a natural person, firm, association, corporation or other legal entity.

"Player" means any person paying some amount of U.S. currency to the Tribe or the contractor or the agent, servant or employee of the Tribe or such contractor for admission to, or participation in, Class II or Class III gaming and who has some reasonable expectation of receiving a prize as a result of participating, playing or wagering on such Class II or Class III gaming.

"Primary management official" means (a) the person having management responsibility for a management contract; (b) any person who has authority to hire and fire employees; or to set up working policy for the gaming operation; or (c) the chief financial officer or other person who has financial management responsibilities.

"Prizes" means and refers to any United States currency, cash or other property or thing of value awarded to a player of Class II or Class III gaming.

"Tribal Council" means and refers to the Squaxin Island Tribal Council, the governing body of the Squaxin Island Tribe.

"Tribal-state compact" means a tribal-state compact entered into, if at all, pursuant to IGRA Section 2710.

"Tribe" means and refers to the Squaxin Island Tribe of the Squaxin Island Indian Reservation located in Mason County, Washington, whose Constitution was approved July 8, 1965 by the United States Secretary of the Interior. (Res. 04-10 (part); Res. 94-78 (part))

#### **6.08.060 General prohibition.**

No person may perform, supervise, hold, operate or conduct any Class II or Class III gaming on Squaxin Island lands except such Class II or Class III gaming conducted, operated or licensed by the ~~tribe~~Commission in accordance with the provisions of this chapter and, as to Class III gaming, conducted, operated or licensed in accordance with the provisions of the tribal-state compact. (Res. 94-78 (part))

#### **6.08.070 Individually owned gaming operations.**

Individually owned gaming operations are prohibited. (Res. 94-78 (part))

#### **6.08.080 Gaming activities.**

A. Gaming Authorization. The tribe is authorized to perform, supervise, hold, license, operate and conduct Class I, Class II and Class III gaming on Squaxin Island Lands and, as to Class III gaming, in accordance with the provisions of the tribal-state compact.

B. Tribal-State Compact Authorization. The Tribal Council is authorized to enter into a tribal-state compact regulating the conduct of Class III gaming activities as required by the Act and to take any and all actions necessary to negotiate and execute such compact.

C. Management Agreements. The Tribal Council shall have the authority to enter into management, finance and/or construction agreements to operate, build and maintain, including engineering, architectural and environmental agreements preliminary thereto, Class II and/or Class III gaming activities on ~~Squaxin Island~~ Indian lands or lease for the rental of gaming equipment provided that said management agreements or leases are in conformity with the Act and any federal laws, rules and/or regulations then in effect.

D. Squaxin Gaming Commission. The Squaxin Island Gaming Commission shall supervise the administration of this section and may adopt, amend and repeal rules and regulations governing the performance, supervision, holding, licensing, operating and conducting of Class II and Class III gaming, including but not limited to establishing accounting and audit procedures and requirements, and procedures for background investigations which shall be in accordance with, and shall not violate the provisions of this ordinance and, in the case of Class III gaming, the tribal-state compact; may provide for the rental of the premises and equipment required for the operation of such Class II and Class III gaming; and promulgate rules and regulations governing its conduct.

E. Conflicts. All management agreements shall provide that elected members of the tribal government may not be an employee of the contractor or of the Tribe's gaming enterprise.

F. Licensing. The licensing authority for Class II or Class III gaming is an exclusive tribal authority unless, in the case of Class III games, otherwise provided under a tribal-state compact. All contractors, primary management officials, key employees and employees of the Tribe's gaming enterprise and each place, facility and locale engaging in Class II or Class III gaming, shall be licensed by the ~~Tribe~~ Commission and, in the case of Class III gaming, meet the licensing requirements of the tribal-state compact. Any person whose prior activities, criminal record, if any, or reputation, or associations pose a threat to the public interest or to the effective regulation of the Tribe's gaming activities or create or enhance the dangers of unsuitable, unfair or illegal practices and methods and activities in the conduct of such gaming activities shall not be eligible to be licensed by the ~~Tribe~~ Commission as a contractor, primary management official, key employee or employee of the Tribe's gaming enterprise.

1. The ~~Tribe~~ Commission shall make a finding determining the eligibility of each primary management official and each key employee for employment in the gaming operation consistent with the applicable requirements of subsections (H)(1) and (2) of this section and federal law, including requirements at least as stringent as 25 CFR Parts 556 and 558.

2. All contractors, primary management officials, key employees and employees of the Tribe's gaming enterprise shall be of good moral character and shall not have been convicted of any felony or misdemeanor involving moral turpitude or gaming offense in any court of competent jurisdiction.

3. The ~~Tribe~~ Commission shall retain applications for employment and reports (if any) of background investigations of employees of a gaming operation other than primary management officials and key employees for inspection by the chairperson or his or her designee for the greater of three years or the term of employment. The Commission shall retain applications for primary management officials and key employees and background investigation reports for inspection by the NIGC for at least three years from the date of termination of employment.

4. The ~~Tribe~~ Commission shall forward applications and reports to the ~~National Indian Gaming Commission~~ NIGC as required by federal law. Before issuing a license, the Commission



shall forward to the NIGC an investigative report and eligibility determination. The report shall include all of the following: steps taken in conducting a background investigation; results obtained; conclusions reached; and the bases for those conclusions.

5. If the Commission does not license an applicant, it shall notify the NIGC.

G. License Suspension. If, after the issuance of a gaming license, the ~~National-Indian Gaming Commission~~NIGC receives reliable information indicating that an employee is not eligible for employment and so informs the ~~Tribe Commission~~, the ~~Tribe Commission~~ shall suspend such license and notify the licensee in writing of the suspension and the proposed revocation. The ~~Tribe Commission~~ shall notify the licensee of a time and a place for a hearing on the proposed revocation. After a revocation hearing, the ~~Tribe Commission~~ shall decide to revoke or to reinstate a gaming license. The ~~Tribe Commission~~ shall notify the ~~National-Indian Gaming Commission~~NIGC of its decision. The Commission Director may suspend an employee's gaming license without review and approval of the Commission when the suspension relates only to a licensing procedural issue (i.e. renewal not timely completed, Key employee forms not turned in, other tardy replies regarding documentation).

H. Background Investigations. Background investigations shall be conducted, as required below, of primary management official and employees of the Tribe's gaming enterprise. The Squaxin Island Gaming Commission, established pursuant to Section 6.08.090, shall conduct all licensing duties imposed upon the Tribe pursuant to the provisions of this chapter and, in the case of Class III gaming, the tribal-state compact. In pursuance of such responsibilities, the ~~commission~~Commission may retain qualified personnel to conduct the required background investigations consistent with this chapter and the terms of the tribal-state compact.

1. Background Investigations for Class II Gaming. The ~~Tribe Commission~~ shall conduct or cause to be conducted a background investigation for each primary management official and for each key employee of a Class II gaming operation. The ~~Tribe Commission~~ shall request and the primary management official and the key employee shall provide any and all information that the ~~Tribe~~Tribe deems relevant, including all that information required by federal law, including 25 CFR 556.4. The ~~commission~~Commission 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 five years, business and employment positions held, ownership interests in those businesses, business and residence addresses, and drivers license numbers;
- c. The names and current addresses of at least three personal references, including one personal reference who was acquainted with the applicant during each period of residence listed under subsection (H)(1)(b) of this section;
- d. Current business and residence telephone numbers;
- e. A description of any existing and previous business relationships with Indian tribes, including ownership interests in those businesses;
- f. A description of any existing and previous business relationships with the gaming industry generally, including ownership interests in those businesses;
- g. The name and address of any licensing or regulatory agency with which the person has filed an application for a license or permit related to gaming, whether or not such license or permit was granted;

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

The ~~Commission~~Tribe shall conduct an investigation sufficient to make a determination whether the employment of a person under investigation poses a threat to the public interest or to the effective regulation of gaming, or creates or enhances the dangers of unsuitable, unfair, or illegal practices and method and activities in the conduct of gaming. If the ~~commission~~Commission determines that employment of the person poses a threat to the public interest or to the effective regulation of gaming or practices and methods and activities in the conduct of gaming, a tribal gaming operation shall not employ that person as a primary management official, key employee or employee.

In conducting a background investigation, the ~~Tribe~~Commission ~~or~~and its agents shall promise to and shall keep confidential the identity of each person interviewed in the course of the investigation.

Before issuing a license to a primary management official or a key employee under this section the ~~Tribe~~Commission shall forward to the ~~commission~~ or to the Bureau of Indian Affairs ~~NIGC~~ an investigative report on each background investigation including all that information required by federal law including the steps taken in conducting a background investigation; the results obtained; the conclusions reached; the basis for those conclusions and its finding of eligibility required under subsection (H)(1) of this section. The ~~commission~~Commission shall submit, with the report, a copy of the eligibility determination made under subsection (H)(1) of this section.

The ~~Tribe~~Commission shall place any privacy notice required by federal law on the application form for primary management officials and key employees before that form is filled out, including the privacy notice required pursuant to 25 CFR 556.2. (25 U.S.C. 2701 et seq.). Persons employed as key employees and primary management officials prior to the enactment of the ordinance codified in this chapter shall be notified in writing that they shall either complete a new application form that contains a Privacy Act notice or sign a statement that contains the Privacy Act notice and consent to the routine uses described in that notice.

The ~~Tribe~~Commission shall place any notice regarding false statements required by federal law on the application form for primary management officials and key employees, including the false statements notice required pursuant to 25 CFR 556.3. (18 U.S.C. 1001). The ~~commission~~Commission shall notify in writing persons employed as key employees and primary

management officials prior to the enactment of the ordinance codified in this chapter that they shall either complete a new application form that contains a notice regarding false statements or sign a statement that contains the notice regarding false statements.

The ~~commission~~Commission shall promulgate and adopt regulations consistent with the description of procedures for background investigations of key employees and primary management officials dated May 18, 1993, adopted by the ~~National Indian Gaming Commission~~NIGC.

2. Background Investigations for Class III Gaming. The ~~Tribe~~Commission shall conduct or cause to be conducted a background investigation for each primary management official, key employee, and employee of a Class III gaming operation using procedures as stringent as those required by subsection (H)(1) of this section. The ~~Tribe~~Commission shall further conduct or cause to be conducted those background investigations required by the tribal-state compact. The background investigation shall include a check of records maintained by the FBI.

Before the ~~Tribe~~Commission or other licensing authority (the state, if at all) licenses a primary management official or a key employee the ~~Tribe~~Commission shall forward to the ~~commission~~NIGC the information required under subsection (H)(1) of this section.

The ~~Tribe~~Commission shall place any privacy notice required by federal law on the application form for primary management officials and key employees before that form is filled out, including the privacy notice required pursuant to 25 CFR 556.2. (25 U.S.C. 2701 et seq.).

Persons employed as key employees and primary management officials prior to the enactment of the ordinance codified in this chapter shall be notified in writing that they shall either complete a new application form that contains a Privacy Act notice or sign a statement that contains the Privacy Act notice and consent to the routine uses described in that notice.

The ~~Tribe~~Commission shall place any notice regarding false statements required by federal law on the application form for primary management officials and key employees, including the false statements notice required pursuant to 25 CFR 556.3. (18 U.S.C. 1001). The

~~commission~~Commission shall notify in writing persons employed as key employees and primary management officials prior to the enactment of the ordinance codified in this chapter that they shall either complete a new application form that contains a notice regarding false statements or sign a statement that contains the notice regarding false statements.

The ~~commission~~Commission shall promulgate and adopt regulations consistent with the description of Procedures for Background Investigations of Key Employees and Primary Management Officials dated May 18, 1993, adopted by the ~~National Indian Gaming Commission~~NIGC.

3. Background Investigation Procedures. The ~~Tribe, through the~~ ~~commission~~Commission, in conjunction with the Washington State Gambling Commission, is responsible for the conduct of the background investigations and suitability determinations. Although Washington State Gambling Commission's participation only involves Class III gaming under the tribal-state compact, the procedures outlined herein shall be followed with respect to all employees, whether Class II or Class III.

The ~~commission~~Commission shall also be responsible for (i) reviewing and approving the investigative work done; (ii) reporting the results of the background investigations to the ~~National Indian Gaming Commission~~NIGC; and (iii) making the suitability determinations.

The tribal or local (Mason County) police will obtain fingerprints. The ~~National Indian Gaming Commission~~NIGC will process the fingerprints. The Washington State Gambling

Commission will process fingerprints only if and when they are authorized to do so under P.L. 92-544.

The minimum investigative procedures to be performed in connection with the background investigations of key employees and primary management officials shall include the following:

- a. Verification by written or oral communication of information submitted by the applicants;
- b. Inquiry into the applicant's prior activities, criminal record, if any, and reputation, habits and associations;
- c. Interviews of a sufficient number of knowledgeable people such as former employers, personal references, and others to whom reference is made in order to provide a basis for the ~~commission~~ Commission to make a finding concerning the eligibility for employment in the gaming operation of the applicant; and
- d. Documentation of the ~~disposition of all potential problem areas will be noted and disqualifying information will be obtained.~~

An investigative report will ultimately be prepared setting forth the following:

- a. The steps taken in conducting the background investigation;
  - b. The results obtained;
  - c. The conclusions reached; and
  - d. The basis for these conclusions.
4. Granting a Gaming License. If, within a thirty (30) day period after the ~~National Indian Gaming Commission~~ NIGC notifies the ~~Tribe~~ Commission that it has no objection to the issuance of a license pursuant to the license application filed by a key employee or a primary management official for whom the ~~commission~~ Commission has provided an application and investigative report to the ~~National Indian Gaming Commission~~ NIGC, the ~~tribal commission~~ Commission may issue a license to such applicant.

The ~~commission~~ Commission shall respond to a request for additional information from the chairperson of the ~~National Indian Gaming Commission~~ NIGC concerning a key employee or a primary management official who is the subject of a report.

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

- I. The ~~Tribe~~ Commission shall maintain a permanent record containing the name and address of each player who receives a prize, if required by, and in accordance with the requirements of the Internal Revenue Code, any enactments of Congress or the tribal-state compact.
- J. The ~~Tribe~~ Commission shall maintain adequate written records of Class II and Class III gaming in the Tribe's facilities for a period of at least four years. The records shall include:
  1. Gross receipts;
  2. All payouts for prizes, whether in cash or merchandise;
  3. Any and all operating expenses;
  4. Net profits. (Res. 94-78 (part))

#### **6.08.090 The Squaxin Island Gaming Commission.**

A Squaxin Island Gaming Commission shall be established as follows:

A. Membership. The ~~commission~~Commission shall consist of five members of the General Council of the Squaxin Island Tribe. One member shall be a member of the Squaxin Island Tribal Council. Appointments shall be made by the Squaxin Island Tribal Council. Initial appointments shall be made in staggered terms: one member for a one-year term; two members shall be appointed for two-year terms; and two members shall be appointed for three-year terms. Thereafter, members will be appointed for three-year terms. If a ~~commission~~Commission is not appointed the Squaxin Island Tribal Council will be appointed and serve as the ~~commission~~Commission. Members may not have a direct or indirect financial interest in the Class II or Class III gaming activities.

B. Meetings. The ~~commission~~Commission shall meet monthly or at the request of the chairperson, the Council or three members of the ~~commission~~Commission. A quorum shall be three members. Voting shall be by majority unless only three members are present in which case a unanimous vote is required. Notice of the meetings is to be given to the ~~commission~~Commission members and to the Tribe five days prior to the meeting except in the case of an emergency meeting. An agenda shall be established, minutes shall be recorded, maintained and filed.

C. Compensation. The members of the ~~commission~~Commission may be compensated in an amount and pursuant to a schedule adopted by the Tribal Council. Compensation and expenses shall be paid from taxes or profits paid to the Tribe from the Class II and Class III gaming activities.

D. Staff. The ~~commission~~Commission is authorized to hire or contract for staff.

E. Powers and Duties.

1. The ~~commission~~Commission shall supervise the administration of this section and may adopt, amend and repeal rules and regulations governing the holding, operating and conducting of Class II and Class III gaming, including establishing accounting and audit procedures and requirements, background investigations, licensing and enforcement, and dispute resolution which shall be in accordance with, and shall not violate the provisions of this chapter and, in the case of Class III gaming, the tribal-state compact.

2. The ~~commission~~Commission may provide for the rental of the premises and equipment required for the operation of such Class II and Class III gaming.

3. The ~~commission~~Commission shall provide that gaming activities shall be held, operated and conducted in conformity with the provisions of this chapter and, in the case of Class III gaming, the tribal-state compact.

F. Purpose and Responsibility. The ~~commission~~Commission shall be guided by this chapter and in the case of Class III gaming, the tribal-state compact and shall cause the development of and approve and supervise the implementation of policies for the operation of the business, personnel policies and procedures, training and operations procedures, all budgets, the record keeping and accounting methods, selection of federally insured financial institutions for business accounts, a cash management system and shall rate the performance of any management company with whom the Tribe has an approved contract and will submit any recommendations for enlargement or additional construction of the Class II or Class III gaming facilities to the Council. The members of the ~~commission~~Commission shall not interfere with or become involved in the day-to day operations of the business.

G. Reporting. The ~~commission~~Commission shall cause a report, approved by the ~~commission~~Commission, to be submitted each month by the fifteenth of the following month to the council to include information on each of the ~~commission~~Commission's responsibilities. The

monthly report shall include a financial statement for the month just ended and a cumulative statement for the then current fiscal year with comparisons to relevant budgets. The ~~Commission~~ Commission shall report to the Council twice annually on the performance of any approved management company with whom the Tribe has an approved contract. (Res. 94-78 (part))

**6.08.100 Operations.**

A. The Tribe's Class II gaming may be conducted each and every day of the week and at such hours of the day or night as determined in the exercise of the Tribe's sole discretion, and there shall be no limit as to prize money for any single gaming activity, bingo game or session except as determined in the exercise of the Tribe's sole discretion. The Tribe's Class III gaming may be conducted each and every day of the week and at such hours of the day or night as determined in the exercise of the Tribe's sole discretion, and there shall be no limit as to prize money for any single gaming activity, bingo game or session except as determined in the exercise of the Tribe's sole discretion and as limited, if at all, by agreement in a tribal-state compact.

B. All persons involved in the conduct of Class II and Class III gaming must be a bona fide employee of the Tribe or contractor.

C. No person under the age of eighteen (18) shall participate in any Class II or Class III gaming. If liquor is served at any gaming facility, no person under the age of twenty-one (21) shall participate in any Class II or Class III gaming.

D. No person who holds, operates, conducts or assists in holding, operating or conducting Class II or Class III gaming may play at the game at which such person is holding, operating, conducting or assisting. (Res. 94-78 (part))

**6.08.110 ~~Name tags~~ Identification Badges.**

All persons operating or assisting the operation or conduct of any Class II or Class III gaming shall wear their Identification Badge, issued by the Tribal Gaming Agency. The Badges shall be a legible tags evidencing their the person's names and photo, and the legend of the Tribe. Tags Identification Badges must be visible and worn or otherwise affixed to all persons operating or assisting in the operation of any Class II or Class III gaming, in accordance with applicable Internal Controls. (Res. 94-78 (part))

**6.08.120 Violations--Jurisdiction.**

A. It is unlawful for any person to:

1. Alter or misrepresent the outcome or other event on which wagers have been made after the outcome is made sure but before it is revealed to the players.

2. Place, increase or decrease a bet or to determine the course of play after acquiring knowledge, not available to all players of the outcome of the game or any event that affects the outcome of the game or which is the subject of the bet or to aid anyone in acquiring such knowledge for the purpose of placing, increasing or decreasing a bet or determining the course of play contingent upon that event or outcome.

3. Claim, collect or take or attempt to claim, collect or take, money or anything of value in or from a gambling game, with intent to defraud, without having made a wager thereon, or to claim, collect or take an amount greater than the amount won.

4. Knowingly to entice or induce another to go to any place where a gambling game is being conducted or operated in violation of the provisions of the tribal-state compact or this chapter with the intent that the other person play or participate in that gambling game.

5. Place or increase a bet after acquiring knowledge of the outcome of the game or other event which is the subject of the bet, including past-posting and pressing bets.

6. Reduce the amount wagered or cancel the bet after acquiring knowledge of the outcome of the game or other event which is the subject of the bet, including pinching bets.

7. Manipulate with the intent to cheat, as defined below, any component of a slot machine or gaming device in a manner contrary to the design and normal operational purpose for the component, including, but not limited to, varying the pull of the handle of a slot machine or gaming device, with knowledge that the manipulation affects the outcome of the game or with knowledge of any event that affects the outcome of the game.

8. Knowingly to use other than coins or tokens approved by the Tribe, or other lawful coin, legal tender of the United States of America, or to use coin not of the same denomination as the coin intended to be used in the gambling game.

9. Use any device or means to cheat as defined below, or to possess any such device while at the Tribe's gaming facility.

10. Any person having a direct or indirect financial interest in a management contract, a person having management responsibility for a management contract, or their agents to significantly and unduly influence the adoption of an ordinance or resolution regarding Class II or Class III gaming.

11. Give or provide, or offer to give or provide, directly or indirectly to any Tribal Council or ~~commission~~ Commission member, primary management official, key employee, employee, contractor, or any person with an indirect or direct interest in the operation of Class II or Class III gaming any commission or reward, or share of the money or property paid or received through gambling activities, in consideration for obtaining any license, authorization, permission or privilege to participate in any gaming operations except as authorized by this chapter or the rules and regulations adopted pursuant to this chapter.

B. For purposes of this section, "cheat" means to alter the selection of criteria which determined the result of a Class II or Class III gaming activity, or the amount or frequency of payment in such gaming activities.

C. Any person who wilfully or knowingly violates any provision of this chapter, or any rule or regulation authorized thereunder, shall be guilty of a criminal offense punishable by a fine not to exceed five hundred dollars (\$500.00) for each violation, or for each day the violation continues, or by imprisonment for not more than six months, or both.

D. Any person who wilfully and knowingly violates any provision of this chapter, or any rule or regulation authorized thereunder, may have the equipment, material and supplies used in conducting the unlawful activity seized and forfeited.

E. The Tribal Courts shall have exclusive civil and criminal jurisdiction with respect to Class II gaming. The Tribe may, with respect to Class III gaming, enter into a tribal-state compact allocating criminal jurisdiction and establishing enforcement protocols. Nothing, however, in this chapter shall be construed to authorize or require the criminal trial and punishment by the Tribe of non-Indians except to the extent allowed or required by any applicable present or future act of Congress or any applicable federal court decision.

F. The Tribe shall retain the right to revoke any license of any contractor who engages in conduct other than as authorized by this chapter, the tribal-state compact or the contractor's agreement with the Tribe, which involves moral turpitude, dishonesty or any act which is punishable as a felony or misdemeanor involving moral turpitude under state or federal laws, or which involves a violation of tribal law. (Res. 94-78 (part))

**6.08.130 Net revenue tax.**

There shall be a tribal tax of that percentage of the net Class II and Class III gaming revenue equivalent to one and ~~one~~-half percent (1.5%) of gross revenues within the jurisdiction of the Tribe. The tribal tax shall be assessed and paid monthly into the Squaxin Island general fund. "Net revenues" means gross gaming revenues less amounts paid out as, or paid for, prizes; and total gaming-related operating expenses, excluding management fees. The Council may reduce or waive such tax as necessary to promote economic development on the reservation. (Res. 94-78 (part); Res. 01-88)

**6.08.140 Internal Revenue Service.**

Provisions of the Internal Revenue Code of 1986, as amended, concerning the taxation and the reporting of withholding of taxes with respect to prizes or winnings from gaming or wagering pursuant to the operation of Class II or Class III gaming operated on the Indian lands shall apply to the Tribe's gaming enterprise. (Res. 04-10 (part); Res. 94-78 (part))

**6.08.150 Designation of an agent for service of process.**

Consistent with 25 CFR 522.2(g) and 519.1, the Tribe shall designate an agent for service of any official determination, order, or notice of violation by written notification to the commission. (Res. 94-78 (part))

**6.08.160 Severability clause.**

The provisions of this chapter shall be severed and if any phrase, clause, sentence or provision of this chapter is found to be contrary to the Tribe's Constitution, or declared to be in violation of applicable federal law or is held to be invalid, the validity of the remainder of this chapter shall not be affected and shall remain in full force and effect. (Res. 94-78 (part))

**6.08.170 Enactment of tribal-state compact.**

The provisions of this chapter relating to the operation of Class III gaming shall become effective upon the effective date of the tribal-state compact. The Tribe enacts and incorporates herein by reference all of the provisions of the tribal-state compact as fully set forth in this chapter. (Res. 94-78 (part))

**6.08.180 Dispute resolution procedures.**

A. Appointment of Inspectors. The ~~commission~~Commission shall be present in the gaming enterprises and operation during all hours of operation through a ~~commission~~Commission inspector, and shall have immediate access to all areas of the gaming premises and operation for the purpose of ensuring compliance with the provisions of this chapter and the tribal-state compact, as well as an other applicable laws, ordinances or regulations. Any violation of this chapter, the compact, other applicable law, ordinance or regulation by the Tribe, the management contractor, a gaming employee, or any other person, shall be reported immediately to the ~~commission~~Commission.

B. Customer Dispute Resolution Procedures. Disputes between the gaming public and the management contractor or the Tribe shall be resolved fairly, justly, equitably, and expeditiously. The manager shall adopt customer dispute resolution procedures which shall implement the above



described intent and which shall be submitted in advance for adoption for approval by the ~~commission~~Commission. The customer dispute resolution procedures shall, at a minimum, provide:

1. Whenever the manager refuses payment of alleged earnings to a customer, and the manager and the customer are unable to resolve the dispute to the satisfaction of the customer and the dispute involves:

a. At least five hundred dollars (\$500.00), the manager shall immediately notify the ~~commission~~Commission; or

b. Less than five hundred dollars (\$500.00), the manager shall inform the customer of his right to request that the ~~commission~~Commission conduct an investigation.

2. The ~~commission~~Commission, through an inspector, shall conduct whatever investigation it deems necessary and shall determine whether payment should be made. The ~~commission~~Commission inspector shall mail written notice by certified mail, return receipt requested, to the manager and the customer of its decision resolving the dispute within thirty (30) days after the date that the ~~commission~~Commission first receives notification under subsection (B)(1)(a) of this section or a request to conduct an investigation from either the customer or the manager under subsection (B)(1)(b) of this section. The decision of the ~~commission~~Commission inspector is effective on the date it is received by the aggrieved party as reflected on the return receipt.

3. Within thirty (30) days after the date of receipt of the written decision of the ~~commission~~Commission inspector, the aggrieved party may file a petition with the ~~commission~~Commission requesting review of the decision. The ~~commission~~Commission may set a hearing on the matter, or may make a decision based solely on the ~~commission~~Commission inspector's decision and other documentation provided by the customer and the manager. The ~~commission~~Commission shall then issue a written decision and mail it to the parties by registered mail or certified mail, return receipt requested.

4. The liability of the manager in any dispute under this section shall be limited to the amount of the alleged winnings and a customer shall not be entitled to an award of special or punitive damages, or damages for mental distress.

5. The decision of the ~~commission~~Commission shall not be subject to judicial review.

(Res. 94-78 (part))