

National Indian Gaming Commission

NOTICE OF VIOLATION

VIA FAX AND CERTIFIED MAIL

Ref: NOV-01-02

To: Jerry G. Haney
Principal Chief (and Agent for Service of Process)
Seminole Nation of Oklahoma
P.O. Box 1498 (½ mile E of junction 59 & 270)
Wewoka, OK 74884
Fax: (405) 257-6205

1. The Chairman of the National Indian Gaming Commission (NIGC) hereby gives notice that the Seminole Nation of Oklahoma (hereafter referred to as "Respondent"), located in Oklahoma, is in violation of the Indian Gaming Regulatory Act (IGRA), NIGC regulations and its Gaming Ordinance for failure to submit annual audits.
2. Submission of the annual independent audit by a firm of certified public accountants is critical to NIGC's mission to protect the integrity of Indian gaming. The ability of the firm to conduct the audit in accordance with generally accepted auditing standards and render an opinion on the financial statements prepared in conformity with generally accepted accounting principles provides a certain level of assurance. The audit report prepared and submitted on a timely basis is evidence of, among other things, the integrity of the gaming operation and, more specifically, of the adequacy of the books and records, the functioning of the internal financial controls, and the disclosure of information having a bearing on the financial statements.
3. Respondent is a federally recognized Indian Tribe with tribal headquarters in Wewoka, Oklahoma.
4. The circumstances of the violations are:
 - A. Respondent has engaged in gaming on tribal lands located in Oklahoma pursuant to Respondent's Gaming Ordinance of 1994.
 - B. NIGC regulations 25 C.F.R. §§ 571.12 and 571.13 require that a tribe cause to be conducted annual independent audits of the financial statements of each gaming operation on Indian lands and submit a copy of the audit report(s) and any

management letter(s) setting forth the results of the annual audit(s) to the NIGC within 120 days after the end of each fiscal year.

C. Section 502 of Respondent's Gaming Ordinance requires submittal of audit reports.

D. Respondent operated the following operations during fiscal 1999 and 2000:

Rivermist
Seminole Nation Bingo
Wewoka Gaming Trailer
Seminole Nation Travel Plaza (I-40)

E. The fiscal years for the operations set forth above ended September 30, 1999, and September 30, 2000. Respondent's fiscal 1999 and 2000 reports for these operations were due to the NIGC no later than January 28, 2000, and January 28, 2001, respectively. Respondent has not submitted its audit report and management letters for these fiscal years. Respondent is therefore in violation of 25 C.F.R. §§ 571.12 and 571.13 and Section 502 of Respondent's own Gaming Ordinance for failure to submit required annual independent audit reports and management letters.

F. The NIGC has sought compliance from Respondent on several occasions. Such efforts were made in meetings and through correspondence. Despite the NIGC's efforts to obtain compliance through means less onerous than a formal enforcement action, the Seminole Nation has failed to produce the required independent audit reports and management letters.

5. To correct these continuing violations, Respondent shall:

Submit independent audit reports and management letters for each gaming operation for the years ending September 30, 1999, and September 30, 2000, to the NIGC within ten (10) days.

6. Within 30 (thirty) days after service of this Notice of Violation, Respondent may appeal to the full Commission under 25 C.F.R. Part 577 by submitting a notice of appeal and, if desired, a request for hearing to the National Indian Gaming Commission, 1441 L Street, NW, Ninth Floor, Washington, DC 20005. Respondent has a right to assistance of counsel in such an appeal. A notice of appeal must reference this Notice of Violation.

7. Within ten (10) days after filing a notice of appeal, Respondent must file with the Commission a supplemental statement that states with particularity the relief desired and the grounds therefore and that includes, when available, supporting evidence in the form of affidavits. If Respondent wishes to present oral testimony or witnesses at the hearing, Respondent must include a request to do so with the supplemental statement. The request to present oral testimony or witnesses must specify the names of proposed witnesses and

the general nature of their expected testimony, whether a closed hearing is requested and why. Respondent may waive its right to an oral hearing and instead elect to have the matter determined by the Commission solely on the basis of written submissions.

8. The violations cited may result in the assessment of civil fines against Respondent in an amount not to exceed \$25,000 per violation per day. Under 25 C.F.R. § 575.5(a), Respondent may submit written information about the violations to the Chairman within 15 days after service of this notice of violation (or such longer period as the Chairman of the Commission may grant for good cause). The Chairman shall consider any information submitted in determining the facts surrounding the violation and the amount of the civil fine, if any.

Dated this 18th day of May, 2001



Montie R. Deer
Chairman
National Indian Gaming Commission