



National Indian Gaming Commission Newsletter

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NIGC COMMISSIONER CHUCK CHONEY IS HONORED AT COMANCHE VETERANS ASSOCIATION'S ARMED FORCES BANQUET

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Chairman

Philip N. Hogen

Commissioner

Cloyce "Chuck" Choney

Commissioner

Norm DesRosiers

NIGC

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Commissioner Cloyce "Chuck" Choney

On Saturday, May 19, 2007, NIGC Commissioner Cloyce "Chuck" Choney was among several Comanche Veterans to receive prestigious honors for their service to the U.S. Military during the Vietnam War. Choney has a lifetime of dedication to the service of the United States beginning with the Army from 1965 to 1975, where he rose to the rank of Captain.

Choney served as a Platoon Leader with the 1/506th Infantry Battalion (Airmobile), 101st Airborne Division, based at Camp Evans in the northern I Corps area of operations, during the Vietnam War. He served a twelve-month "tour of duty" in Vietnam where he engaged enemy soldiers, including hand-to-hand combat. In Comanche lore, Choney has earned the title of "Pukutsi" because of his fearless and brave actions during his time in Vietnam.

Mr. Choney worked for the Federal Bureau of Investigation (FBI) from 1976 until 2001 where he handled a variety of cases involving civil rights, fraud, organized and white collar crime, and bank robbery investigation.

Chuck played a vital role in the formation of the Indian Gaming Working Group (IGWG) in the summer of 2003. The group has been tasked with raising awareness within the federal agencies of criminal activity taking place at gaming facilities throughout Indian country.



Commissioner Choney and his wife Sandy

Mr. Choney was appointed Commissioner of the NIGC in December of 2002.

MESSAGE FROM CHAIRMAN HOGEN



Chairman Phil Hogen

The Indian gaming industry, and those of us who help regulate it, took great pride in the recent NIGC report describing the continued steady growth of gross gaming revenues by the industry, which passed the \$26 billion mark in 2006. With this growth, of course, comes continued challenges and the NIGC team has had its hands full on several fronts in this regard.

A Senate Committee on Indian Affairs hearing held late last month focused on the aftermath of the 2006 court ruling which struck down NIGC's application of Minimum Internal Controls (MICS) to Class III gaming, which accounts for more than 90% of the billions of dollars the industry generates. Since the ruling, NIGC has been re-tooling our approach to our mission and this has included consideration of using less direct means to address the on-going concern that Indian gaming universally employ adequate internal controls and strong internal audit functions, whether in a Class II, or Class III, or combined environment. At that recent Senate hearing, I attempted to explain how well the NIGC MICS worked for all classes from 1999 through 2006, how the NIGC has gone to great lengths avoid duplication of oversight provided by Tribal-State compacts, and how the presence of a regulatory interest clearly separated from the ownership of the gaming adds to the integrity of that effort.

Four years have now passed since NIGC first committed to adopting regulations which would clarify the division between the equipment, including computers and electronic and technologic aids, which tribes may use to play un-compacted Class II games like bingo, and those electronic facsimiles of games of chance and slot

machines which Congress placed in Class III. Beginning late last year and into this summer, a remarkable synergy developed between all those interested in Class II games—tribes and their leaders, tribal and Federal regulators and those who design, build and sell and service that equipment. The result of this collaborative process was the withdrawal of the regulations NIGC had proposed in the *Federal Register* last spring and summer and the drafting of proposals which focus on the system that is required when games employ technology to assist players to play games with and against one another. The draft Technical Standards which emerged from this effort have been widely viewed as a positive step into heretofore uncharted waters. Also emerging from this effort has been the recognition that the unique nature of technologically-assisted Class II play also calls for Minimum Internal Control Standards which are likewise unique and complement not complicate the operation and regulation of this play. To this end, we've reconvened our Minimum Internal Controls Tribal Advisory Committee, and they are hard at work to help us finish our drafting efforts by summer's end. We filled some vacancies on that Committee, on the basis of Tribal nominations. We're pleased to now have Kathi Hamel, a Casino Manager with the San Pablo Lytton Casino; Lynn Berneberg, a Gaming Commissioner with the Rincon Band of Luiseno Mission Indians; and Todd Papineau, Executive Director of the St. Regis Mohawk Tribal Gaming Commission on the committee. They will be joining Committee Members Patrick Darden, Executive Director of the Chitimatcha Tribe of Louisiana Gaming Commission; Jerome Schultze, Executive Director of the Morongo Band of Cahuilla Mission Indians Gaming Agency; Tracy Burris, Gaming Commissioner for the Chickasaw Tribe; Patrick Lambert, Executive Director of the Eastern Band of Cherokee Gaming Commission; and John Meskill, Director of the Mohegan Tribe Gaming Commission.

The NIGC thanks the individuals who will be leaving the Committee: Jack Crawford, Sherrilyn Kie, and Mark Fox for their dedication and input on issues facing Indian gaming.

As always, we are deeply appreciative of Tribes' willingness to share their experts for the good of the industry. With help of this kind, we should well be able to meet the challenges before us.

NORTH AMERICAN GAMING REGULATORS ASSOCIATION HONOR NIGC COMMISSIONER NORM DESROSIERS

During the North American Gaming Regulators Association's Annual Conference (NAGRA) in Kansas City last month, NIGC Commissioner Norm DesRosiers received two prestigious awards. Norm received the "Excellence in gaming regulation" for outstanding accomplishments in the regulation of gaming. He also

received Recognition and Appreciation of service as Chairman of the Indian Gaming Committee for the previous five years.

Prior to Norm's appointment as NIGC Commissioner, he served as Commissioner of the Viejas Tribal Gaming Commission.



Commissioner Norm DesRosiers

CESAR VALDEZ JR. JOINS THE NATIONAL INDIAN GAMING COMMISSION AS DIRECTOR OF ENFORCEMENT

Cesar Valdez Jr. has been chosen as the new Director of Enforcement. Mr. Valdez has served as Director of Security at the Oneida Tribe of New York's Turning Stone Resort and Casino since September of 2005.

Valdez has over 30 years of combined military and civilian experience including enforcement and administration of laws, rules and regulations governing the Horse and Harness racing industry for the state of Pennsylvania, which includes four racetracks and twenty "off-track" betting facilities. Additionally, Valdez was responsible for 217 employees while Director of Security at the Turning Stone Resort and Casino, which includes a four star hotel and two other hotel



Cesar Valdez Jr.

properties, 5 golf courses, 14 restaurants, a convention center and an events center.

Cesar has a long history of dedication to government, including military service in the Vietnam War and Operation Desert Storm for which he received numerous awards and medals.

Valdez holds a B.A. from California State University Northridge and an M.A. from Shippensburg University. Valdez will join the NIGC as Director of Enforcement on August 6, 2007.

Valdez has three grown children: Richard, Jennifer and Cesar III.

DIVISION OF CONTRACTS TRAINING

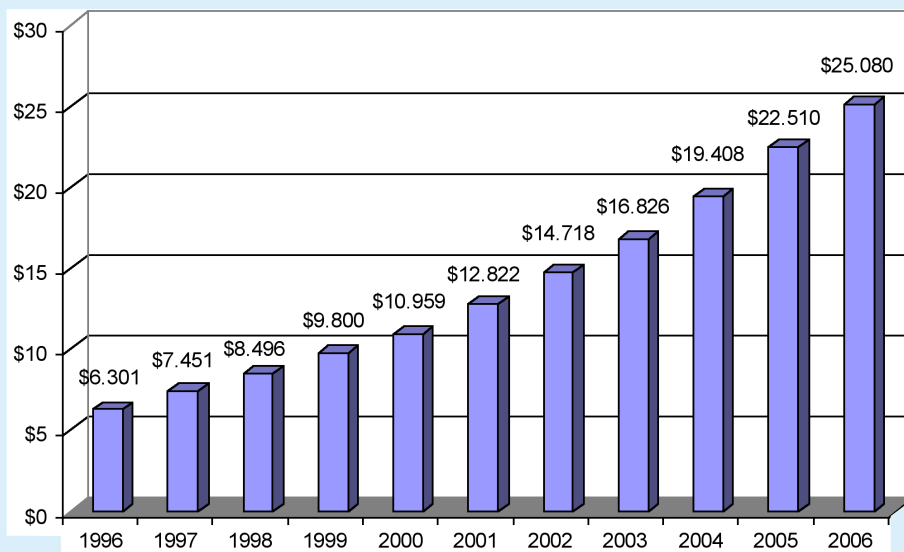
The Division of Contracts recently held a 2 day workshop for the Management Contract Financial Background Investigators and Staff. In attendance were, pictured from left to right, 1st Row - Barbara Haizlip, Database Specialist; Margaret Cooper, Investigator and Analyst; Carole Maupin, Investigator; Lee Pisiewski, Investigator; 2nd Row - Elaine Trimble Saiz, Director; Tom Leahy, Investigator; Chris White, Financial Analyst; 3rd Row - Jon Duran, Investigator; John Manis, Investigations Section Chief; Tim Russ, Investigator; Tom Hoskins, Investigator; and Jeff Horky, Investigator.

Collectively, the staff has over 75 years of service with the NIGC and over 180 total years of gaming regulation and background investigation experience with various federal and state regulatory agencies and casinos. The Financial Investigators presently reside in Las Vegas and



Reno, Nevada; Minneapolis, Minnesota; Southern Arizona and North Carolina. Contract Division Staff from the Washington DC office joined with the investigators to discuss various items including improving and streamlining the investigation process; updating the communication pipeline; pending investigations; setting priorities; revising of the Division procedures manual; and reviewing and testing of the proposed new database.

Growth of Tribal Gaming Revenue (in Billions)



NATIONAL INDIAN GAMING COMMISSION EMPLOYEE NAMED TO NATIONAL COMMITTEE

National Indian Gaming Commission (NIGC) Senior Field Investigator Ron Ray, a Certified Fraud Examiner, was recently named to a three year term on the Professional Standards and Practices Committee of the Association of Certified Fraud Examiners (ACFE).

The ACFE is an international organization that provides anti-fraud training and education. The Professional Standards and Practices Committee updates and

publishes ACFE standards of professional practice; interprets and amplifies the standards; and assists in the development of educational and promotional materials on the standards.

This prestigious appointment will help provide a higher level of excellence for the Indian gaming industry among fraud professionals nationwide. The NIGC applauds Ron's appointment to this Committee.



Ron Ray

Consultation Photos



NIGC meets with Jena Band of Choctaw Indians



NIGC meets with Tunica-Biloxi Tribe of Louisiana



NIGC meets with St. Regis Band of Mohawk Indians of New York



NIGC meets with Cayuga Nation of New York

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Consultation Photos Continued from page 5



NIGC meets with the Chitimacha Tribe of Louisiana



Shoshone-Bannock Tribe



Skokomish Indian Tribe



Shoalwater Bay Tribe



Lummi Nation



Quinault Nation



Confederated Tribes of the Colville Reservation

We look forward to working with you in the coming year. Following is contact information for the National Indian Gaming Commission's Regional Offices, including updated staff information and contact information.

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