

**The United States Department of the Interior**

**BUDGET  
JUSTIFICATIONS**

**Fiscal Year 2009**

**NATIONAL INDIAN  
GAMING COMMISSION**

**DEPARTMENT OF THE INTERIOR  
NATIONAL INDIAN GAMING COMMISSION**

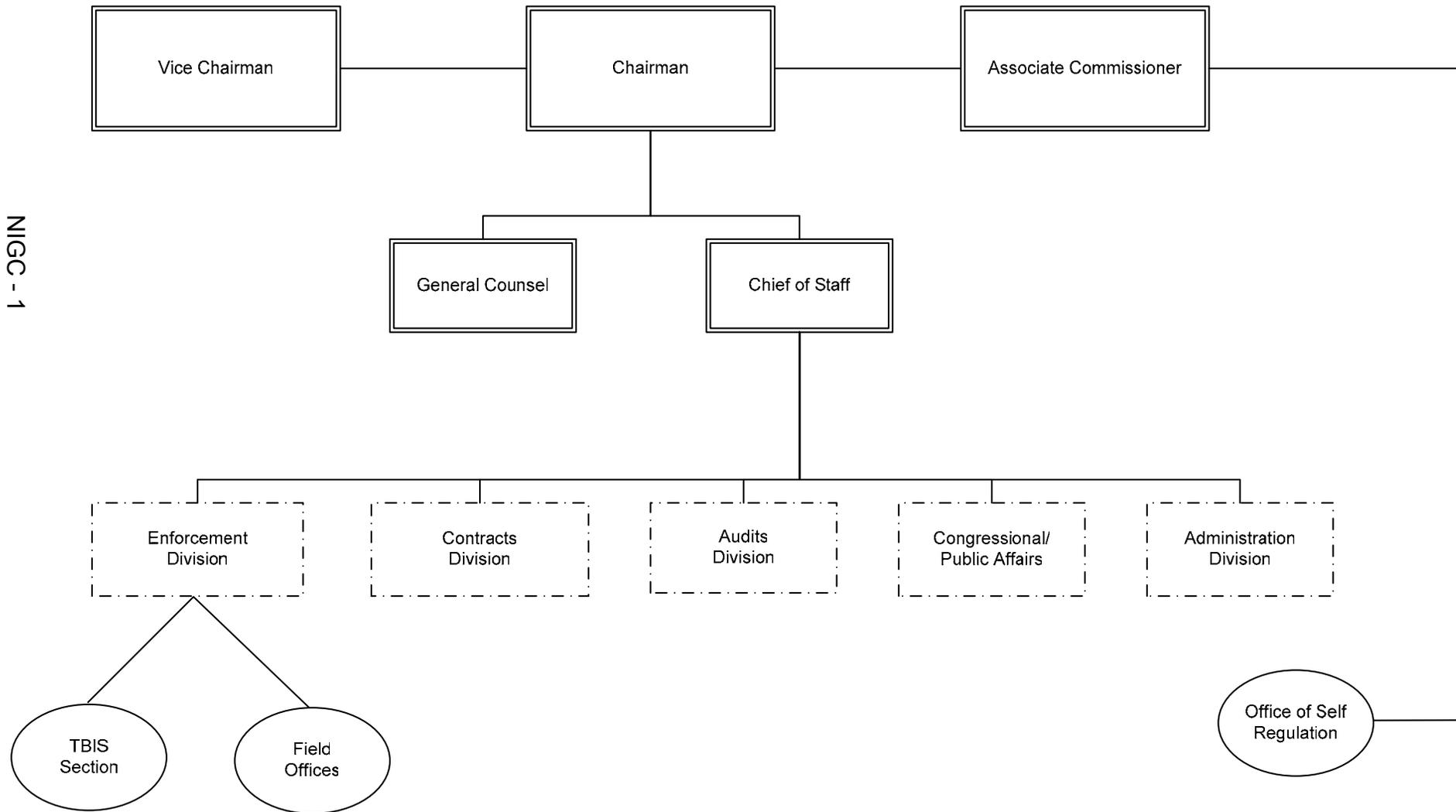
**Fiscal Year 2009 Budget Justification**

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# NATIONAL INDIAN GAMING COMMISSION ORGANIZATIONAL CHART



## **NATIONAL INDIAN GAMING COMMISSION (NIGC)**

### **Executive Summary**

When the National Indian Gaming Commission (NIGC) began operations in February 1992, the Indian Gaming industry generated revenue of about \$3 billion per year. The agency itself operated on an appropriation of \$2.2 million with 33 full-time employees with oversight of about 200 gaming operations. Since that time, the industry has grown dramatically. In 2006, the Indian gaming industry reported \$25.1 billion in revenue and there are now 423 gaming operations in 28 states.

The growth of the industry led to enactment in May 2006 of the Native American Technical Corrections Act of 2006 (P.L. 109-22). The Act enables NIGC to tie its fee collections to the growth, or contraction, of the Indian gaming industry. Specifically, the Act authorizes the Commission to collect up to 0.08 percent of the gross gaming revenue, allowing the NIGC's authorized funding to keep pace with industry growth and enabling the agency to provide needed technical assistance and essential oversight. The 2009 budget will focus primarily on hiring additional personnel, expanding field office operations, enhancing the information technology infrastructure, and providing internal and external training to keep pace with industry growth.

### **Mission and Responsibilities**

The National Indian Gaming Commission monitors gaming activity, inspects gaming premises, conducts background investigations, audits and reviews financial records of gaming operations, and undertakes enforcement actions, if necessary. Its mission, as set forth in the Indian Gaming Regulatory Act (IGRA), is to ensure that adequate safeguards are in place to shield the tribal gaming industry from organized crime and other corrupting influences and to assure that Indian tribes are the primary beneficiaries of the gaming operation and that gaming is conducted fairly and honestly.

### **General Statement**

The National Indian Gaming Commission is an independent regulatory agency within the Department of the Interior established pursuant to IGRA as amended. The Commission was created to fulfill the mandates of IGRA in fostering economic development of Indian tribes by ensuring the integrity of Indian tribal government gaming on Indian lands and that the tribes are the primary beneficiaries of their gaming operations.

This is accomplished by the promulgation of regulations to guide the operation of tribal government gaming by:

- Direct regulation of certain aspects of such gaming activities, and coordinating regulation with tribal and other regulatory agencies through the review and approval of tribal gaming ordinances and agreements
- Reviewing backgrounds of individuals and entities to ensure the suitability of those seeking to engage or invest in such gaming
- Maintaining oversight and reviewing the conduct of gaming operations and financial performance
- Enforcement actions for violations of IGRA, the regulations of the Commission, and tribal gaming ordinances, including imposition of appropriate sanctions on those committing such violations

As it fulfills these responsibilities, the Commission is particularly vigilant for any indications of corrupting influences such as those posed by organized criminal elements known to be attracted to cash-intensive industries such as gaming.

IGRA authorizes the Commission to assess and collect fees on tribal gaming revenues to cover NIGC operating costs. The NIGC also conducts background investigations, including fingerprinting of individuals and entities with a financial interest in, or management responsibility for potential management contracts. These investigations are conducted to determine whether the contracts can be approved. The Commission is reimbursed annually from the potential contractors for investigative services. The Federal Bureau of Investigation and the Commission are reimbursed for fingerprint processing costs.

The Commission is mindful of the trust relationship the United States bears to the Indian nations it serves and of the importance of prompt and efficient administration of IGRA to foster the economic development so urgently needed by Indian tribes. In all phases of its regulatory performance, the Commission and its staff observe due process rights of those who come before it and extend to all individuals the courtesy they are entitled to expect from their government. The Commission strives to be responsive to tribes seeking guidance as they enter the dynamic gaming industry, monitors trends in tribal government gaming, and reports its findings to Congress and the Administration.

### **The Indian Gaming Regulatory Act (IGRA) of 1988**

Congress took up the issue of tribal gaming and conducted a series of hearings, ultimately culminating in the passage of IGRA in 1988. Embodied in IGRA was a compromise between state and tribal interests. The states were given a role in determining the scope and extent of tribal gaming by requiring tribal-state compacts for Class III gaming. However, tribal regulatory authority over Class II gaming without state intervention was preserved in full.

IGRA establishes the jurisdictional framework that governs Indian gaming. IGRA establishes three classes of games with a different regulatory scheme for each.

- Class I gaming is defined as traditional and social Indian gaming for minimal prizes. Regulatory authority over Class I gaming is vested exclusively in tribal governments.
- Class II gaming is defined as the game of chance commonly known as bingo (whether or not electronic, computer, or other technological aids are used in connection therewith) and, played in the same location as bingo, pull-tabs, punchboards, tip jars, instant bingo and other games similar to bingo. Class II gaming also includes non-banked card games, that is, games that are played exclusively against other players rather than against the house or a player acting as a bank. IGRA specifically excludes slot machines or electronic facsimiles of any game of chance from the definition of Class II games. Tribes retain their authority to conduct, license and regulate Class II gaming so long as the state in which the tribe is located permits such gaming for any purpose and the tribal government adopts a gaming ordinance approved by the National Indian Gaming Commission (NIGC). Tribal governments are responsible for regulating Class II gaming with Commission oversight.
- Class III is defined as all forms of gaming that are neither Class I nor II. Games commonly played in casinos, such as slot machines, blackjack, craps, and roulette fall in the Class III category, as well as wagering games and electronic facsimiles of any games of chance. Generally, Class III gaming is often referred to as full-scale casino-style gaming. As a compromise among Tribal, State and Federal interests, IGRA restricts tribal authority to conduct Class III gaming. Before a tribe may lawfully conduct Class III gaming, the following conditions must be met: (1) the particular form of Class III gaming that the tribe wants to conduct must be permitted in the state in which the tribe is located; (2) the tribe and the state must have negotiated a compact that has been approved by the Secretary of the Interior, or the Secretary must have approved regulatory procedures; and (3) the tribe must have adopted a tribal gaming ordinance that has been approved by the Chairman of the Commission.

The regulatory system for Class III gaming is more complex than a casual reading of the statute might suggest. Although Congress clearly intended states to address their regulatory issues in tribal-state compacts, it was not mandatory in IGRA and many states accordingly rely upon continued federal regulatory oversight by the NIGC to address regulatory concerns regarding Class III tribal gaming under IGRA, including approval of management contracts and tribal ordinances. Thus, the extent of a state's participation in the regulation of Class III gaming varies from state to state. In addition, IGRA expressly assigned a number of specific regulatory functions to the NIGC, such as: approving tribal ordinances and class III gaming; approving management contracts; ensuring tribes and management contracts abide by IGRA and NIGC rules and regulations; and implementing regulations. Accordingly, the Commission plays a key role in the oversight and regulation of both Class II and III gaming.

## **The Commission and its Activities**

The Commission became operational in 1992. It is comprised of a Chairman and two Commissioners, each of whom are appointed to a three-year term. The Commission establishes policy, and is responsible for carrying out the formal duties assigned to it by the Act. The Chairman appoints a Chief of Staff to manage the day-to-day activities of the Commission and a General Counsel to handle its legal affairs.

The Commission provides federal oversight to approximately 423 tribally owned, operated, or licensed gaming establishments in 28 states. The Commission maintains its headquarters in Washington, D.C., has five field offices, and four satellite offices. The Commission is divided into five separate divisions with a combined staff of approximately 100 full-time employees as September 30, 2007. Approximately fifty members of the Commission staff are assigned to headquarters in Washington, D.C. with the remaining 50 assigned among five field offices located in: Portland, Oregon; Sacramento, California; Phoenix, Arizona; St. Paul, Minnesota; and Tulsa, Oklahoma. Regional satellite offices are located in Rapid City, South Dakota; Temecula, California; Bellingham, Washington; and Flowood, Mississippi. The Commission plans to open field offices in Michigan, Florida, New Mexico, and Northern California to address the rapid growth of Indian gaming in these regions.

The Commission established its field structure to increase effectiveness and improve the level and quality of services it provides. The field offices are vital to carrying out the statutory responsibilities of the Commission and securing industry compliance with the Act. The Commission's efficiency and effectiveness have improved as a result of locating auditors and field investigators closer to tribal gaming facilities. Regular visits enable better oversight of tribal compliance with regulations and allow for timely intervention where warranted. In addition to auditing and investigative activities, the field staff provides technical assistance, education, and training to promote a better understanding of gaming controls within the regulated industry, and to enhance cooperation and compliance.

## **Recent Changes Affecting Budget Priorities**

When IGRA was enacted in 1988, Indian gaming was a \$100 million per year industry. When the Commission became operational in 1992, it received a direct appropriation of \$1.5 million and collected an additional \$1 million in fees assessed on the regulated industry. At that time, the Indian gaming industry generated revenue of \$1.6 billion. The years since the enactment of IGRA have seen a tremendous growth in the Indian gaming industry. Currently, the industry consists of approximately 423 gaming operations in 28 states. These operations are owned, operated, or licensed by 228 federally recognized tribal governments. The industry generated \$25.1 billion of gross gaming revenues in 2006, which is an increase of over 11.1 percent from 2005.

In addition to the tremendous increase in the magnitude of Indian gaming, the technology of games is changing and financial resources must be directed to training NIGC officials, or contracting with technical experts, to assure proper audit and review of individual gaming operations. The Commission's development and implementation of a broad-based consultation policy have impacted the financial and staff resources. Furthermore, ambitious regulatory initiatives for Minimum Internal Control Standards (MICS), technical standards for Class II bingo and pulltab machines, and classification standards to clarify the distinction between Class II and III games were initiated, and require financial support.

In 2007, the NIGC addressed major concerns identified in its outreach in consultation efforts begun in 2003. The Commission launched a comprehensive review of the Commission's MICS and mobilized an effort to distinguish between electronic and technological aids which are permitted to aid in the play of uncompact Class II gaming, and electronic facsimile and slot machines which require Class III compacts to be utilized in tribal gaming. The consultation process the Commission embarked upon in 2003 continued throughout 2006 and 2007, and these issues evolved as those with great importance to the tribal gaming industry.

The Commission plans to continue the consultation process to ensure that all tribes have the opportunity to present their respective positions on various issues. In 2007, the Commission engaged in 139 government-to-government consultation meetings across the country, of which 673 tribal representatives attended, to address complicated issues facing the Indian gaming industry.

### **Background**

Prior to 1997, the Commission was legislatively prohibited from collecting fees in excess of \$1.5 million annually. The 1998 Interior Appropriations Act (P.L. 105-83) expanded the fee base to include Class III (casino style) gaming and raised the limitation on annual fee collections to \$8 million. In the 2003, 2004, 2005, and 2006 Interior Appropriations Acts, the Congress enacted a general provision raising this limitation to \$12 million for fiscal years 2004, 2005, 2006, and 2007 respectively. On May 12, 2006, the Native American Technical Corrections Act of 2006 (P.L. 109-221) was enacted. Title III of this Act struck the subparagraph containing the dollar amount fee limitation, and replaced it with a formula allowing fees up to .08 percent in any fiscal year of the gross gaming revenues of all gaming operations subject to regulation by NIGC.

The newly enacted fee limitation will allow the agency to maintain a fee collection level that is in proportion to the size of the industry it oversees. With fees at 0.08 percent of the industry's gross revenue, the Commission's funding will expand or contract in proportion to the growth or contraction of the Indian gaming industry.

Another change included in P.L. 109-221 is the requirement that the Commission, like other Federal agencies, be subject to the Government Performance and Results Act (GPRA) of 1993, and that any plan instituted in compliance with GPRA include technical assistance to tribal gaming operations. On October 1, 2007 NIGC submitted a draft strategic plan to OMB, laying out proposed strategic goals. These goals relate to organizational excellence, enforcement of

license regulations, program evaluations, compliance reviews, financial planning, auditing, and internal controls. They also address the sharing of information and consultation with stakeholders along with technical assistance and training provided to federally recognized Tribes.

### **Annual Fees for Operations**

The Commission assesses fees on tribal gaming revenues in accordance with procedures set forth in 25 C.F.R. Part 514. At the beginning of each calendar year, by majority vote, the Commission publishes a preliminary fee rate. A final rate is established and published in the last quarter of the year based on prior year gross gaming revenues. The rate must be sufficient to generate income to fund the annual operation of the Commission and maintain a transition balance for the upcoming year's operation.

Maintenance of this transition balance is essential to the fiscal integrity of the Commission because the unique statutory provisions governing the Commission's funding subject it to significant cash flow variations. Unlike other federal agencies, the Commission's authorizing legislation does not provide for full funding at the beginning of each fiscal year. Instead, the Commission receives quarterly installments equal to approximately one-quarter of each gaming tribe's projected annual fee assessment. The carryover transition balance is necessary to cover the first and second quarter of operation until the fees are actually received and credited to the operating account. Without this transition balance, funds could potentially be insufficient to maintain continuity of operation. Fees collected during the fourth quarter of the fiscal year 2007 will provide the operational capital for the first quarter of fiscal year 2008. The Commission attempts to maintain a transition balance to fund the first two quarters of the new fiscal year, because cash flow variations often occur with potentially serious operational consequences should revenue fall short of projections.

## **Summary of the FY 2009 Budget**

### **Permanent Appropriation**

The Indian Gaming Regulatory Act, as amended, established the National Indian Gaming Commission as an independent agency within the Department of the Interior. The Commission monitors and regulates gaming activities conducted on Indian lands. NIGC's operational costs are financed through annual assessments of gaming operations regulated by the Commission.

All costs associated with the Commission's operation during 2008 will be derived from fees assessed on and collected from the regulated industry. The Commission will continue its consultation with the affected tribes and evaluate their input prior to implementing the proposed budget. The revenue to be collected in 2008 will assure funding to address the full-year impact of 2008 new hires. The Commission will continue to maintain a carryover balance sufficient to assure that cash flow variations do not impact ongoing operations. As previously noted, fees are paid quarterly, based on each gaming tribe's projected annual assessment. This system often results in cash flow variations, and therefore a transition balance, derived from prior year funds carried forward to the new fiscal year, is essential to continuity of operations.

With a projected staffing increase from 96 FTE in 2007 to 129 FTE in 2009, the NIGC is forecasting full-year obligations of \$15 million in fiscal year 2008 and \$17 million in 2009. This will allow the Commission to hire additional local and field personnel to address the demands of the expanding Indian gaming industry. These funds will also be used to upgrade and improve NIGC's information management system, open new field offices, and expand training. This forecast excludes expenditures for oversight of class III gaming as limited by the decision in Colorado River Indian Tribes (CRIT) versus the NIGC.

### **Reimbursable Expenses**

The NIGC conducts background investigations of individuals and entities with a financial interest in, or management responsibility for, potential management contracts. Pursuant to the Indian Gaming Regulatory Act, Section 2711(e), these investigations are conducted to determine whether the contracts can be approved. In accordance with Section 2711(i) of this legislation, the Commission is reimbursed approximately \$1,000,000 annually from the potential contractors. In addition, the Federal Bureau of Investigation and the Commission are reimbursed for fingerprint processing costs in the approximate amount of \$1,200,000.

**Department of the Interior  
Summary of Requirements  
(in thousands of dollars)**

**Appropriation: NIGC Gaming Activity Fees**

**Summary of Changes**

|   | <u>FTE</u> | <u>Amount</u> | <u>FTE</u> | <u>Amount</u> |
|---|------------|---------------|------------|---------------|
| Total 2009  |            |               | 123        | 15,000.0      |
| Fixed cost and related changes:                                 |            |               |            |               |
| Additional cost in 2009 of the January 2008 pay raise/step inc. |            | 80.0          |            |               |
| Additional cost in 2009 of the January 2009 pay raise/step inc. |            | 300.0         |            |               |
| Total Fixed cost and related changes:                           |            | 380.0         |            | 380.0         |
| Program changes:  |            |               |            |               |
| Impact of additional 6 FTE                                      | 6          | 600.0         | 6          |               |
| Full year impact of 2008 new hires benefits                     |            | 200.0         |            |               |
| Rent/Space/Communication/Utilities for new field offices        |            | 300.0         |            |               |
| Other*  |            | 520.0         |            |               |
| Total Program Changes   |            | 1,620.0       |            | 1,620.0       |
| Sub-Total   |            |               |            | 2,000.0       |
| Total Requirements  |            |               | 129        | 17,000.0      |

\* Includes charges from OPM, MMS personnel charges, Central Billing, Transportation Subsidy Program, Postage, and other miscellaneous charges

**DEPARTMENT OF THE INTERIOR  
NATIONAL INDIAN GAMING COMMISSION**

**Change in Fee Regulation**

The regulations implementing the legislative provisions governing the collection of fees have been revised to allow the Commission to collect the statutory maximum allowed by Congress. The revised regulations are as follows:

**§514.1 Annual Fees**

- (d) The total amount of all fees imposed during any fiscal year shall not exceed the statutory maximum imposed by Congress. The Commission shall credit pro-rata any fees collected in excess of this amount against amounts otherwise due at the end of the quarter following the quarter during which the Commission makes such determination.
  - (1) The Commission will notify each gaming operation as to the amount of overpayment, if any, and therefore the amount of credit to be taken against the next quarterly payment otherwise due.
  - (2) The notification required in paragraph (d)(1) of this section shall be made in writing addressed to the gaming operation.

**Supplementary Information:**

The Commission will change its current regulations to reflect changes in the statutory fee limitation. This regulation has been amended so that the amount of fees imposed by the Commission is directly related to Congressional action. The change will allow the Commission to collect up to the statutory maximum and will eliminate the need to regularly amend this regulation as Congress raises or lowers the fee level.



**Justification of Program and Performance**

**Appropriation: NIGC Gaming Activity Fees**

|         | <u>FY 2008</u>  | <u>Fixed Costs</u> | <u>Program</u> | <u>FY 2009</u>  | <u>Change</u> |
|---------|-----------------|--------------------|----------------|-----------------|---------------|
|         | <u>Estimate</u> | <u>Changes</u>     | <u>Changes</u> | <u>Estimate</u> | <u>From</u>   |
| (\$000) | 15,000          | +380               | +1,620         | 17,000          | +2,000        |
| FTE     | 123             | --                 | +6             | 129             | +6            |

**Summary of Program Change**

**Request Component**

Provide an additional 6 FTE in local and field personnel to address the demands of the expanding Indian gaming industry +600.0

Funding to address the annualized cost of salary and benefits for staff brought on during 2008 +200.0

Funding for rent, space and utilities to fund the annualized cost Represent the annualized cost of new field offices opened during 2008-2009 plus the increased cost of existing field offices +300.0

**Fixed Costs**

Additional cost in 2009 of the January 2008 pay increase and the cost of three quarters of the January 2009 pay increase +380

Increased costs relating to charges from the Office of Personnel Management and MMS relating to recruitment and staffing, Interior Working Capital Fund centralized and direct billing charges, increases in the cost of the Transportation subsidy program, postage, and other similar fixed costs. +520.0

**Justification of Program Change**

**Additional FTE-Field Auditors:** An additional six FTE are needed to address the demands of the expanding Indian gaming industry. Three of these positions are field auditors who are required to possess an accounting degree and a minimum of three years casino auditing experience, or the equivalent. Additionally, Field Auditors must be well informed regarding the typical methodologies employed by criminal elements attempting to exert control over a gaming operation. Referrals to law enforcement authorities have occurred and often result in successful investigations of organized criminal syndicates involved in Indian gaming. Because of the relationship between investigations and enforcement, the Commission provides cross-training

and assistance to the auditors and investigators in NIGC's Audit and Enforcement Divisions as the opportunities and needs arise.

**Additional FTE-Enforcement:** The other three FTE are needed in the area of enforcement. Enforcement staff play a critical role in processing background investigations of employees at tribal gaming facilities. IGRA requires that Indian tribes conduct background investigations on their key employees and primary management officials and notify the Commission of the results of the background investigations before issuing a license to those individuals. In a typical year, the Enforcement Division will process over 30,000 investigative reports with approximately 50,000 fingerprint cards submitted by tribes in compliance with this obligation.

Enforcement staff ensure tribal compliance with the fundamental statutory and regulatory compliance obligations required by IGRA. Oversight activities primarily involve the performance of six critical functions. These include:

- Monitoring Indian gaming operations for compliance with NIGC regulations, ranging from reviews of gaming operation records to on-site inspections to ensure the health and safety of the public.
- Assisting tribes in compliance activities including advice on how to structure a tribal gaming operation and reviewing operating procedures with tribal gaming commissions and managers.
- Investigating matters relating to regulatory violations and alleged criminal activities. Such investigations often result in the issuance of Notices of Violation, Closure Orders, and Civil Fine Assessments and the initiation of criminal investigations by various laws enforcement authorities.
- Functioning as liaison to federal, state, and tribal law enforcement officials. Law enforcement investigators facilitate the flow of information between various regulatory authorities, and help coordinate investigative and monitoring activities.
- Mediating disputes that threaten the integrity of the tribal gaming operations. Such disputes often involve factional divisions within tribes as well as disputes between tribes and management contractors.
- Conducting background investigations of individuals and companies seeking approval of management contracts. The field investigators review pertinent documents and records, conduct interviews, and verify the accuracy of information submitted by applicants.

However, investigation and enforcement are key to compliance, and additional staff are required to keep pace with the growth of the Indian gaming industry. Because of the specialized nature of these positions, the wide geographical areas and often remote locations covered, it is neither practical nor cost-effective to contract-out these positions.

**Full-Year Impact of 2008 New Hires:** Funds totaling \$200,000 are needed to cover the full-year cost new hires brought on during the course of 2008.

**Rent/Space/Communications/Utilities:** Funding of \$300,000 is needed in the areas of rent, space, communications, and utilities. The Commission maintains its headquarters in Washington, D.C., with six regional offices located in Portland, Oregon; Sacramento, California; Phoenix, Arizona; St. Paul, Minnesota; Tulsa, Oklahoma; and Washington, D.C. In addition,

satellite offices are located in Rapid City, South Dakota; Temecula, California; Bellingham, Washington; and Flowood, Mississippi. The Commission plans to open field offices in Michigan, Florida, New Mexico, and Northern California to address the rapid growth of Indian gaming in these regions. The Michigan and Florida offices will open during 2008 and the remaining two will open in 2009. The funds requested for rent, space, communications and utilities will cover the annualized cost of the Michigan and Florida offices as well as the cost of the New Mexico and Northern California field offices which will open in 2009. The new field offices will be staffed primarily by existing personnel from other field offices who will be relocated to be closer to the gaming facilities they oversee.

### **Fixed Costs**

**Personnel Related:** Funds totaling \$380,000 are needed to cover the cost of one quarter of the 2008 pay raise along with the three quarters of the 2009 pay raise that occur in fiscal year 2009.

**Other:** Funds totaling \$520,000 are need for a variety of non-personnel charges. NIGC centrally procures a number of centralized services including recruitment and staffing (from the Minerals Management Service); financial services, annual auditing; travel management, activity based costing, space management, records management, ethics training, FOIA appeals and other services (from the Department of Interior, Office of the Secretary). Increases are expected in the costs of these services. Other increases are expected in the transportation subsidy program, support of flexible spending accounts for employees, postage, and the cost of advertising vacant positions through OPM's GovWorks website.

### **Program Overview**

#### **Authorization:**

Indian Gaming Regulatory Act, Public Law 100-497, as amended (including amendments in the Native American Technical Corrections Act of 2006, P.L. 109-221).

#### **Objectives:**

To regulate and monitor gaming conducted on Indian lands and to protect Indian gaming as a means of generating Indian tribal revenues.

#### **Program Activities:**

The Commission regulates gaming activities on Indian lands: for the purpose of shielding Indian tribes from organized crime and other corrupting influences; ensuring that Indian tribes are the primary beneficiaries of gaming revenues; and assuring that gaming is conducted fairly and honestly by both operators and players. To affect these goals, the Commission is authorized to conduct investigations, undertake enforcement actions including the issuance of notices of violation, assessment of civil fines, issuance of closure orders, approve management contracts, and issue such regulations as necessary to meet its responsibilities under the Act.

The Act grants broad authority to the Commission and provides authority to the Chairman to: (1) issue temporary closure orders; (2) levy civil fines, of up to \$25,000 per violation per day, against a tribe, management contractor, or individual operator for violation of the Act, the regulations or a tribal gaming ordinance; (3) approve tribal gaming ordinances; (4) approve gaming management contracts; and (5) appoint and supervise staff.

The Commission as a whole is empowered to: (1) monitor gaming activities, (2) inspect gaming premises, (3) conduct background investigations; (4) inspect records relating to gaming; (5) approve the annual budget; (6) adopt regulations for the assessment and collection of civil fines; (6) adopt a schedule of annual fees; and (7) issue permanent closure orders. The Commission also serves as an appellate body. Aggrieved parties may appeal decisions of the Chairman to the full Commission.

In carrying out these responsibilities, the Commission also: (1) provides education, training and technical assistance regarding applicable regulatory requirements; (2) assists tribes with background investigations and fingerprint processing; (3) receives and processes appeals; (4) conducts formal and informal hearings; (5) consults with Indian tribes, states and the regulated community; (6) defends against lawsuits challenging the Commission's actions; (7) issues advice and guidance through bulletins, advisory opinions and other publications; and (8) provides audits and other evaluative services.

**DEPARTMENT OF THE INTERIOR**  
**NATIONAL INDIAN GAMING COMMISSION**  
**Special Fund Receipt/Expenditure Account**  
**Gaming Activity Fees**  
**(in millions of dollars)**

| Identification code 14-5141-0-2-806         | 2007   | 2008     | 2009     |
|---|--------|----------|----------|
|   | Actual | Estimate | Estimate |
| 01.99 Balance, start of year.....           | ---    | ---      | ---      |
| Receipts:                                   |        |          |          |
| National Indian Gaming Commission           |        |          |          |
| 02.60 Gaming Activity Fees.....             | 13     | 15       | 17       |
| 04.00 Total: Balances and Collections ..... | 13     | 15       | 17       |
| Appropriations:                             |        |          |          |
| National Indian Gaming Commission           |        |          |          |
| 02.60 Gaming Activity Fees.....             | -13    | -15      | -17      |
| 07.99 Balance, end of year.....             | ---    | ---      | ---      |

**Program and Financing (in millions of dollars)**

| Identification code 14-5141-0-2-806                              | 2007   | 2008     | 2009     |
|--|--------|----------|----------|
|  | Actual | Estimate | Estimate |
| <u>Obligations by program activity:</u>                          |        |          |          |
| 00.01 Direct Program Activity                                    | 14     | 15       | 17       |
| 10.00 Total new obligations.....                                 | 14     | 15       | 17       |
| <u>Budgetary resources available for obligation:</u>             |        |          |          |
| 21.40 Unobligated balance carried forward,<br>start of year..... | 4      | 3        | 3        |
| 22.00 New budget authority (gross).....                          | 13     | 15       | 17       |
| 23.90 Total budgetary resources available<br>for obligation..... | 17     | 18       | 20       |
| 23.95 Total new obligations.....                                 | -14    | -15      | -17      |
| 24.40 Unobligated balance carried forward,<br>end of year.....   | 3      | 3        | 3        |
| <u>New budget authority (gross), detail:</u>                     |        |          |          |
| Mandatory:   |        |          |          |
| 60.20 Appropriation (special fund).....                          | 13     | 15       | 17       |
| <u>Change in obligated balances:</u>                             |        |          |          |
| 72.40 Obligated balance, start of year.....                      | 2      | 2        | 2        |
| 73.10 New obligations.....                                       | 14     | 15       | 17       |
| 73.20 Total outlays (gross).....                                 | -14    | -15      | -17      |
| 73.45 Recoveries of prior year obligations.....                  |        |          |          |
| 74.40 Obligated balance, end of year.....                        | 2      | 2        | 2        |
| <u>Outlays (gross), detail:</u>                                  |        |          |          |
| 86.97 Outlays from new mandatory authority.....                  | 13     | 12       | 14       |
| 86.98 Outlays from mandatory balances.....                       | 1      | 3        | 3        |
| 87.00 Total Outlays (gross).....                                 | 14     | 15       | 17       |
| <u>Net budget authority and outlays:</u>                         |        |          |          |
| 89.00 Budget authority.....                                      | 13     | 15       | 17       |
| 90.00 Outlays .....  | 14     | 15       | 17       |

**DEPARTMENT OF THE INTERIOR  
NATIONAL INDIAN GAMING COMMISSION  
Special Fund Receipt/Expenditure Account  
Gaming Activity Fees**

**Object Classification (in millions of dollars)**

| Identification code 14-5141-0-2-806                     | 2007   | 2008     | 2009     |
|---|--------|----------|----------|
|   | Actual | Estimate | Estimate |
| <b>Direct obligations</b>                               |        |          |          |
| 11.11 Personnel compensation: Full-time permanent ..... | 8      | 9        | 10       |
| 11.21 Civilian personnel benefits.....                  | 2      | 2        | 2        |
| 12.10 Travel and transportation of persons.....         | 1      | 1        | 1        |
| 12.52 Other Services.....                               | 3      | 3        | 4        |
| 99.99 Total new obligations.....                        | 14     | 15       | 17       |

**Personnel Summary**

| Identification code 14-5141-0-2-806   | 2007   | 2008     | 2009     |
|---------------------------------------|--------|----------|----------|
|                                       | Actual | Estimate | Estimate |
| <b>Total compensable workyears</b>    |        |          |          |
| Full-time equivalent employment ..... | 96     | 123      | 129      |

**DEPARTMENT OF THE INTERIOR**  
**NATIONAL INDIAN GAMING COMMISSION**  
**Federal Funds: Salaries and Expenses**  
**Program and Financing (in millions of dollars)**

| Identification code 14-0118-0-1-806   | 2007<br>Actual | 2008<br>Estimate | 2009<br>Estimate |
|---|----------------|------------------|------------------|
| <u>Obligations by program activity:</u>   |                |                  |                  |
| 09.01 Reimbursable Program.....   | 2              | 4                | 3                |
| 10.00 Total obligations (object class 25.2).....  | 2              | 4                | 3                |
| <u>Budgetary resources available for obligation:</u>  |                |                  |                  |
| 21.40 Unobligated balance carried forward, start of year.....                                 | 5              | 8                | 6                |
| 22.00 New budget authority (gross).....   | 5              | 2                | 2                |
| 23.90 Total budgetary resources<br>available for obligation.....                              | 10             | 10               | 8                |
| 23.95 Total new obligations.....  | -2             | -4               | -3               |
| 24.40 Unobligated balance carried forward, end of year.....                                   | 8              | 6                | 5                |
| <u>New budget authority (gross), detail:</u>  |                |                  |                  |
| Discretionary:  |                |                  |                  |
| 58.00 Spending authority from offsetting collections:<br>offsetting collections (cash): ..... | 5              | 2                | 2                |
| <u>Change in obligated balances:</u>  |                |                  |                  |
| 72.40 Obligated balance, start of year.....   | 1              | 1                | 2                |
| 73.10 Total new obligations.....  | 2              | 4                | 3                |
| 73.20 Total outlays (gross).....  | -2             | -3               | -3               |
| 74.40 Obligated balance, end of year.....   | 1              | 2                | 2                |
| <u>Outlays (gross), detail:</u>   |                |                  |                  |
| 86.90 Outlays from new discretionary authority.....   | 2              | 2                | 2                |
| 86.90 Outlays from discretionary balances.....  | ---            | 1                | 1                |
| 87.00 Total outlays (gross).....  | 2              | 3                | 3                |
| Offsets:  |                |                  |                  |
| Against gross budget authority and outlays:   |                |                  |                  |
| 88.40 Offsetting collections (cash) from Non-Federal sources.....                             | -5             | -2               | -2               |
| <u>Net budget authority and outlays:</u>  |                |                  |                  |
| 89.00 Budget authority.....   | ---            | ---              | ---              |
| 90.00 Outlays (net).....  | -3             | 1                | 1                |

**DEPARTMENT OF THE INTERIOR  
 NATIONAL INDIAN GAMING COMMISSION  
 Federal Funds: Salaries and Expenses**

**Object Classification (in millions of dollars)**

| Identification code 14-0118-0-1-806 | 2007<br>Actual | 2008<br>Estimate | 2009<br>Estimate |
|-------------------------------------|----------------|------------------|------------------|
| Reimbursable obligations            |                |                  |                  |
| 22.52 Other services.....           | 2              | 4                | 3                |
| 29.99 Total new obligations.....    | 2              | 4                | 3                |

**DEPARTMENT OF THE INTERIOR  
NATIONAL INDIAN GAMING COMMISSION  
EMPLOYEE FTE COUNT BY GRADE OR GRADE EQUIVALENT**

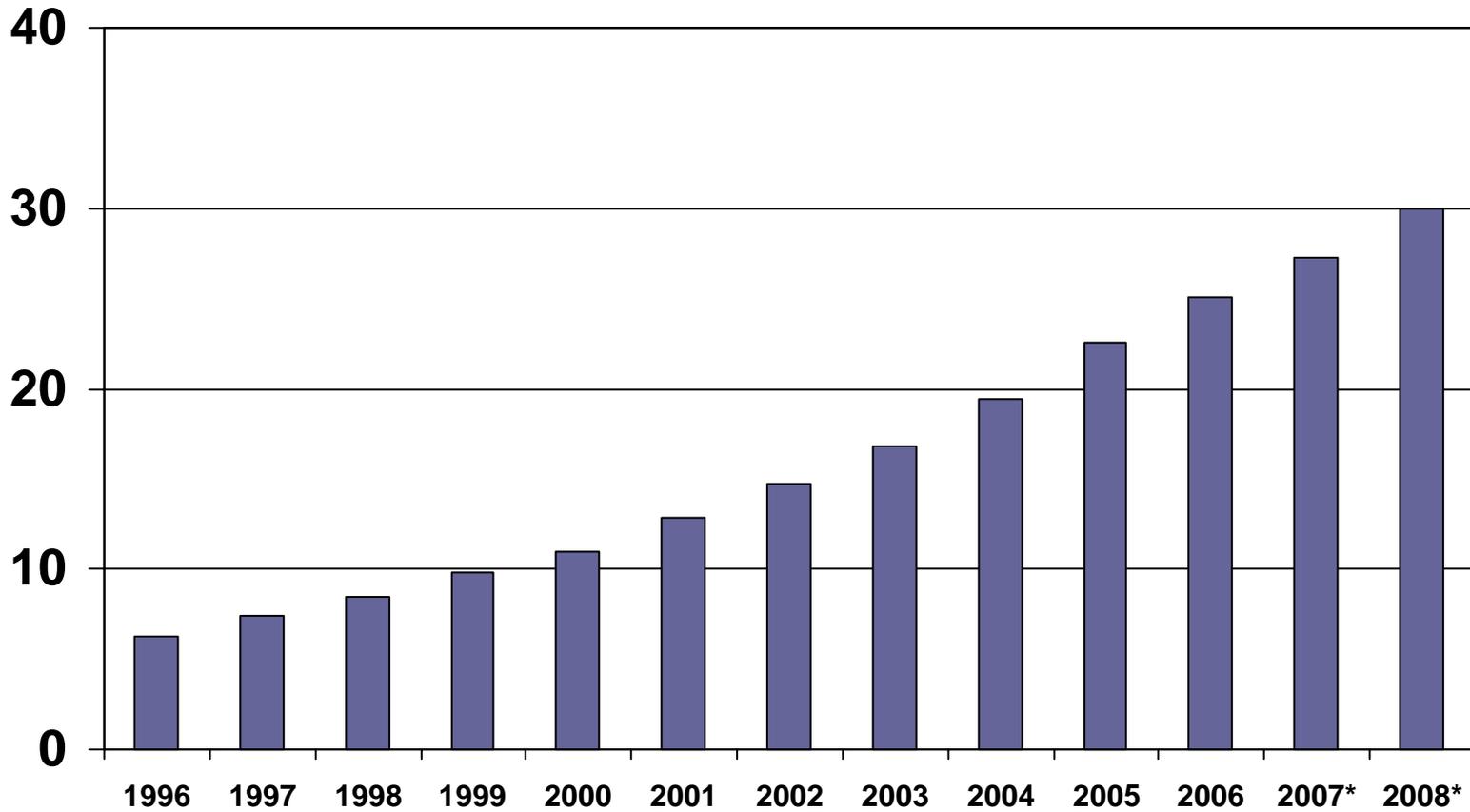
|                    | <b>FY 2007<br/>Actual</b> | <b>FY 2008<br/>Estimate</b> | <b>FY 2009<br/>Estimate</b> |
|--------------------|---------------------------|-----------------------------|-----------------------------|
| Executive Level IV | 1                         | 1                           | 1                           |
| Executive Level V  | 1                         | 2                           | 2                           |
| ES-4               | 1                         | 1                           | 1                           |
| ES-1               | 1                         | 2                           | 2                           |
| GS-15              | 10                        | 11                          | 11                          |
| GS-14              | 12                        | 14                          | 14                          |
| GS-13              | 34                        | 40                          | 42                          |
| GS-12              | 18                        | 31                          | 34                          |
| GS-11              | 2                         | 4                           | 5                           |
| GS-10              | 5                         | 5                           | 5                           |
| GS-09              | 3                         | 3                           | 3                           |
| GS-08              | 0                         | 0                           | 0                           |
| GS-07              | 0                         | 0                           | 0                           |
| GS-06              | 7                         | 8                           | 8                           |
| GS-05              | 1                         | 1                           | 1                           |
|                    | <hr/>                     | <hr/>                       | <hr/>                       |
| Total FTE          | 96                        | 123                         | 129                         |

In accordance with the Act, appointments are made without regard to the provisions of Title 5, US Code, governing appointments in the competitive services.

# Indian Gaming Industry Growth

(\$ Billions)

NIGC - 22

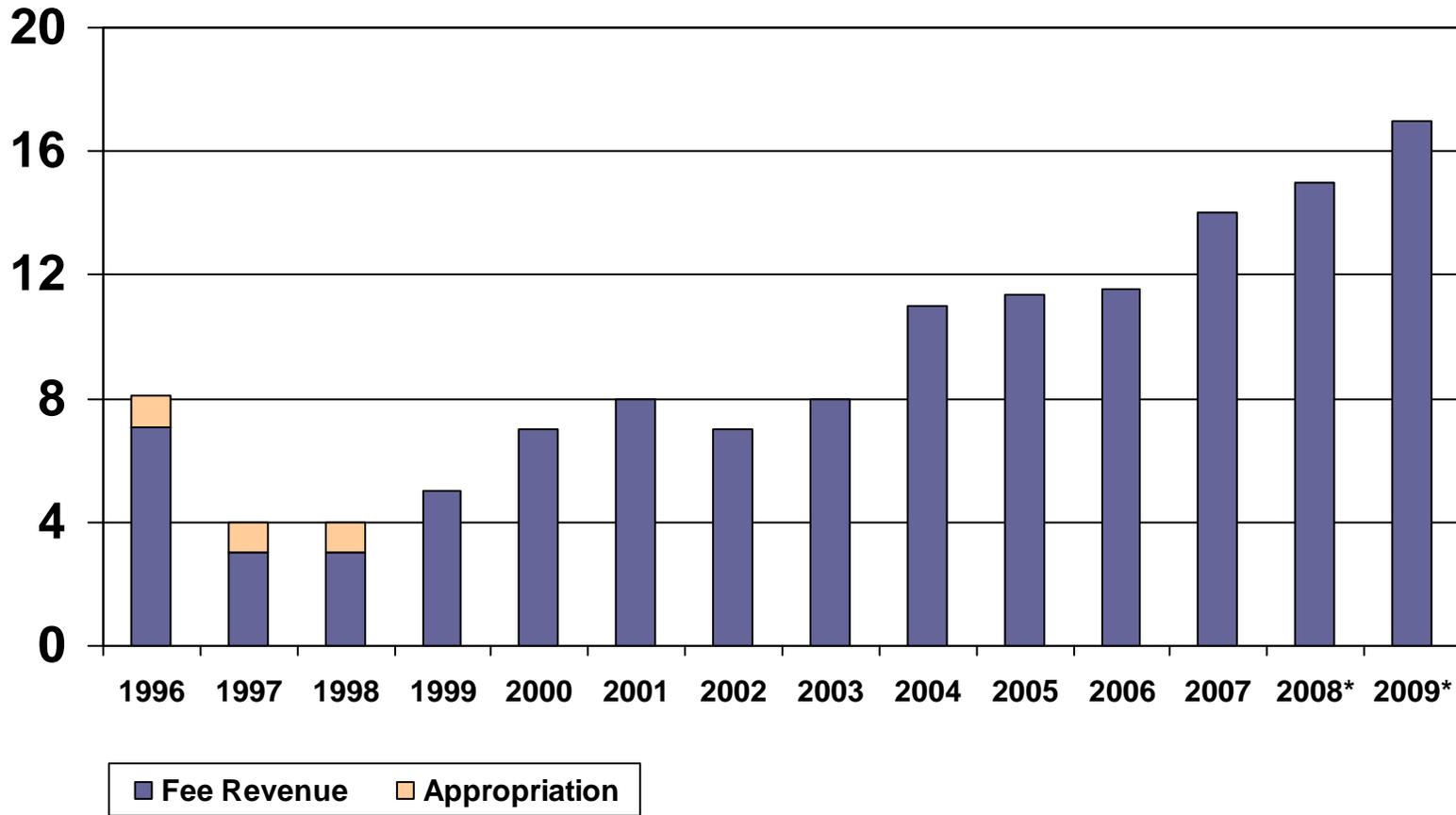


\* Forecast

# NIGC Fee Revenue

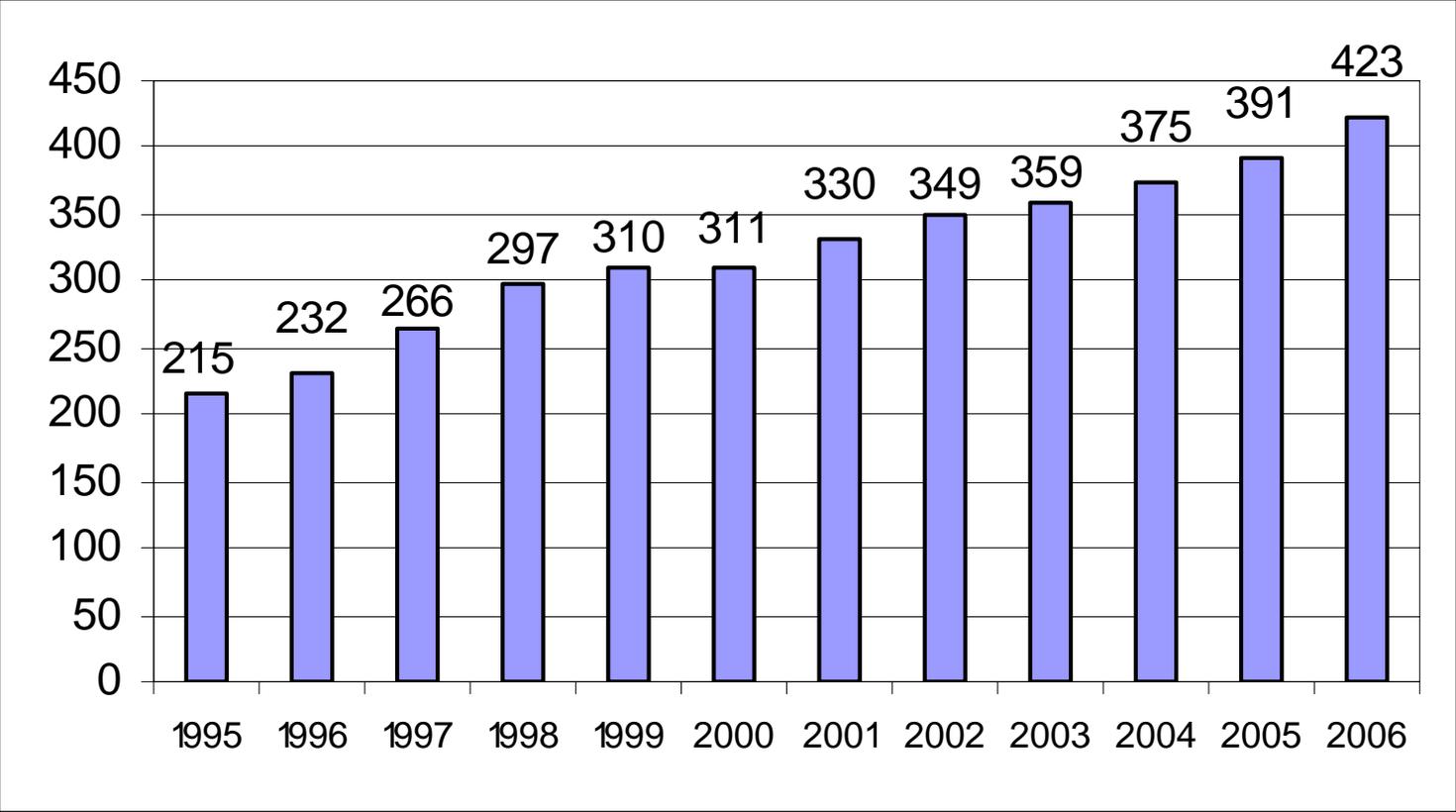
(\$ Millions)

NIGC - 23



\* Forecast

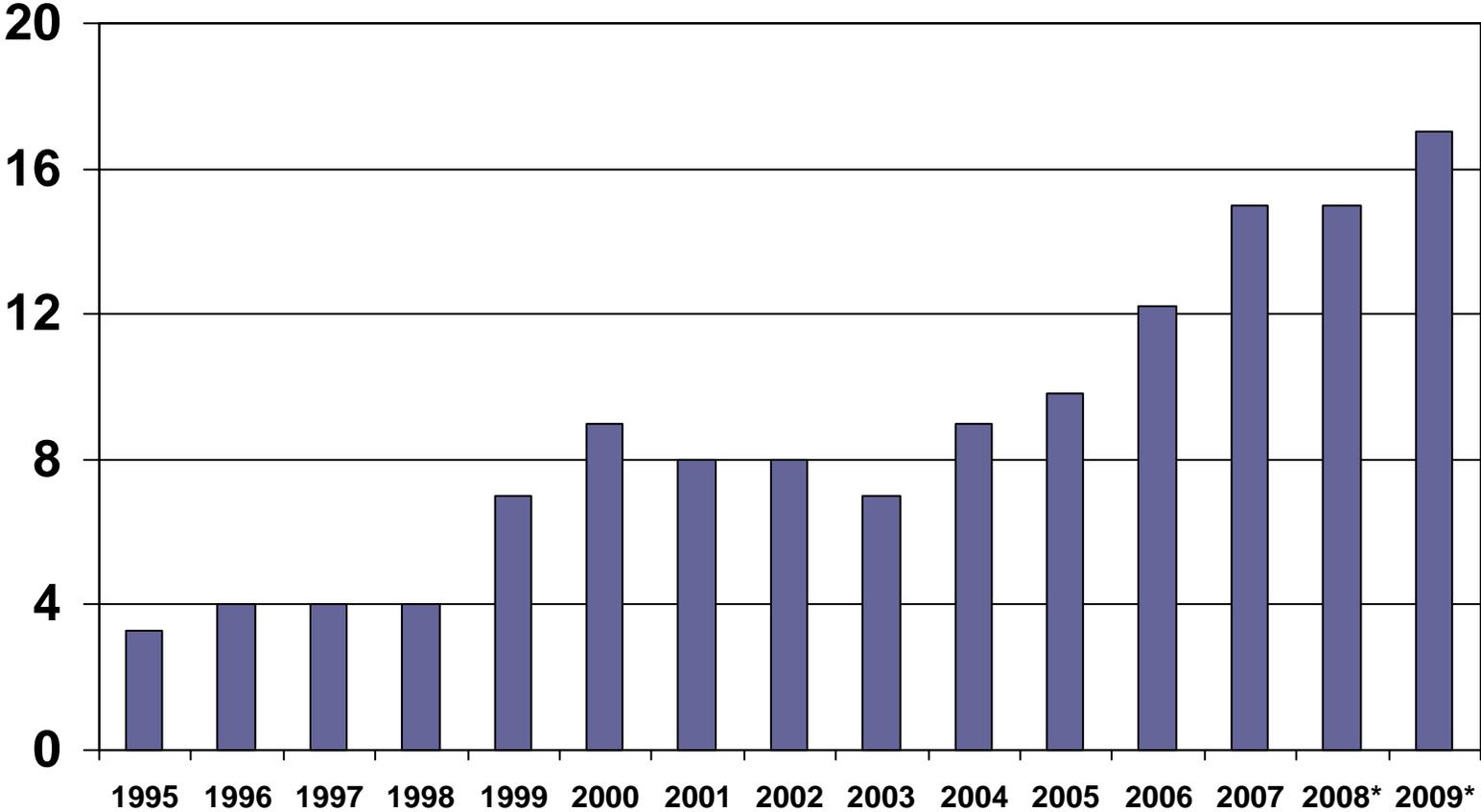
# Growth in Indian Gaming Operations



# NIGC Expenditures

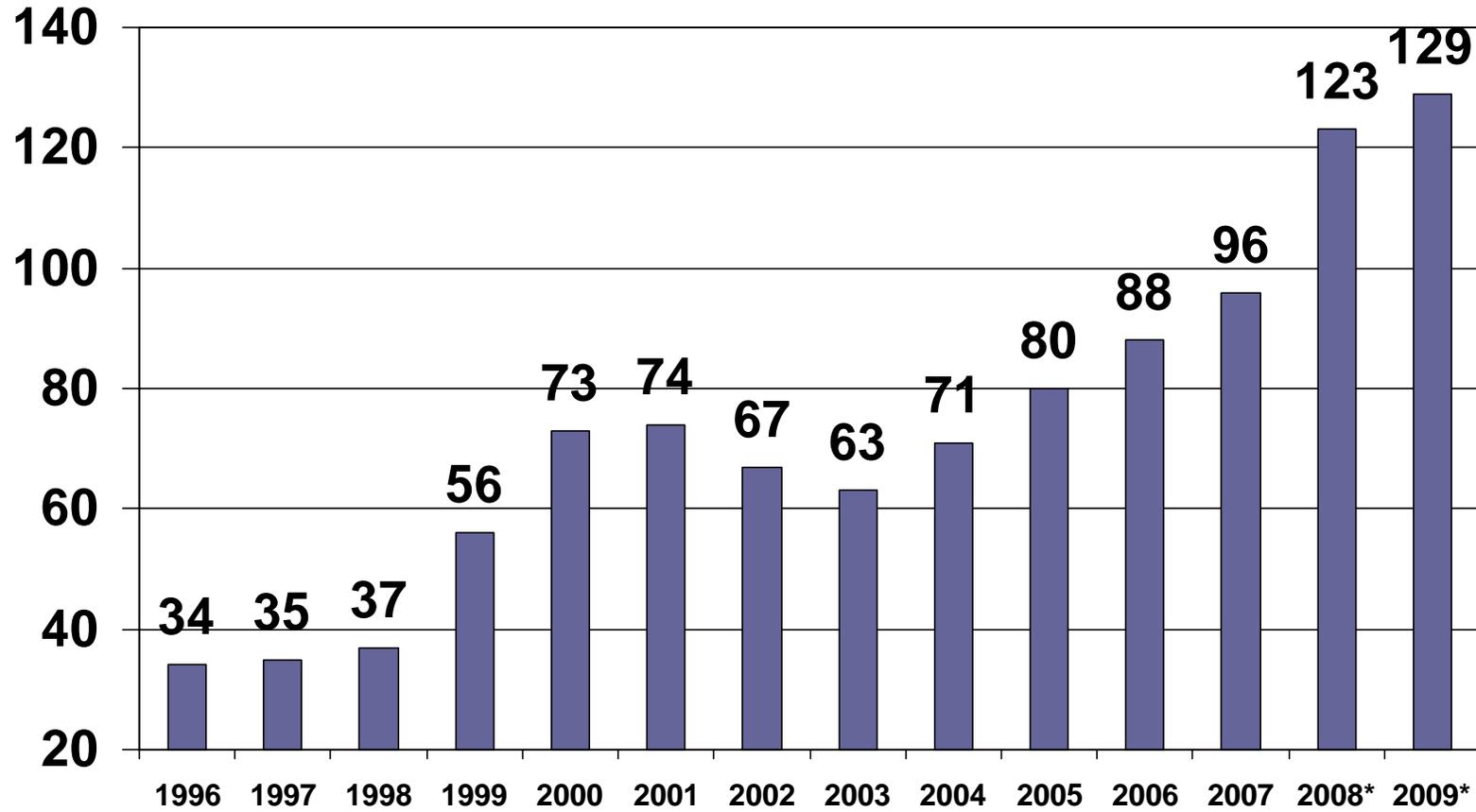
(\$ Millions)

NIGC - 25



\* Forecast

# Staffing Levels



\* Forecast