

# *Oklahoma Tribal-State Gaming Compact*

**State Compliance Agency (SCA)**

**the Oklahoma Office of State Finance**

**Procedures Manual**

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## ***Oklahoma Tribal-State Gaming Compact***

### **Procedures Manual**

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## A. Introduction and Background

In the 2004 Legislative Session, the Oklahoma Legislature approved Senate Bill 553 and subsequently amended that with Senate Bill 1252. The legislation referred to a vote of the People of the State of Oklahoma the "State-Tribal Gaming Act". The referendum was approved in the November 2, 2004 vote. The Compact is contained in Oklahoma Statutes, Title 3A, Section 281, and consists of 16 "Parts", with various "sections" and "paragraphs" for each Part.

The newly passed State Question 712 establishes a model tribal gaming compact, essentially a "pre-approved" offer to all federally recognized Indian tribes as defined in the legislation. Acceptance of the Compact, approval by the Secretary of the Interior and subsequent publication in the Federal Register allows the following for compacting tribes:

- compacting tribes can operate additional covered games:
  - electronic bonanza-style bingo games
  - electronic amusement games
  - electronic instant bingo games
  - nonhouse-banked card games
  - other games as defined in the Compact

In addition, when at least four (4) tribes have entered into the Compact, the Oklahoma Horse Racing Commission can license certain organization licensees to conduct authorized gaming within limits as set in the Act.

The Compact establishes exclusivity payments and establishes one-time startup assessments and annual assessments for the operation of covered games. The law also includes a provision that if the State breaks its promise of exclusivity, there is an additional tax on that activity, which is distributed to the affected tribes, and the exclusivity fees allowed in the Compact are terminated.

The laws include minimum state regulatory requirements on games, accounting and auditing standards, the licensing of employees, liability insurance, property claim procedures and several other provisions.

The bill does not affect the authority of the National Indian Gaming Commission (NIGC). That organization still has the authority to ensure that gaming activities comply with the Indian Gaming Regulatory Act (IGRA).

Finally, the bill establishes a State Compliance Agency (SCA), which is identified as the Office of State Finance (OSF). The SCA has the authority to carry out the State's oversight responsibilities under the Compact.

This Procedures Manual has been created to include provisions of the Compact and to help document procedures to be followed by the SCA. The entire manual will be available on the SCA web site and the most recent updates will be located there ([www.osf.state.ok.us/gaming.html](http://www.osf.state.ok.us/gaming.html)). In this manual, the various provisions are referenced back to the Compact as included in Title 3A, Section 281 of the Oklahoma Statutes as amended, unless other wise noted. The references will be to the "Part", "Section", and "Paragraph" of that state law in which the provision is covered.

## **B. Requirements for Executing the Compact**

Several sections of the Compact describe the actions that must be completed to execute the Compact. Statutory references that explain these actions are:

Title 3A, Section 280

Title 3A, Section 281, Part 11, Paragraph C

Title 3A, Section 281, Part 15, Paragraph A

### **a. Steps to Enter Into the Oklahoma Tribal-State Compact**

#### **1. Execute the Compact**

- a. Submit a copy of the Compact executed by the Tribe to the Secretary of the Interior for approval as a tribal-state compact within the meaning of IGRA.
- b. Submit a copy of the executed Compact to the Governor.
- c. Submit copies of the tribal resolution, ordinance or law which authorizes the chief executive officer of the tribal government to execute the compact to the Governor and the Secretary of the Interior as may be required under applicable federal law.
- d. Approval from Secretary of the Interior and publication in the Federal Register.

#### **2. Fines Assessed by the Federal Government**

- a. The Tribe must have paid or entered into a written agreement for payment of any fines assessed prior to the effective date of the State-Tribal Gaming Act by the federal government with respect to the tribe's gaming activities pursuant to the Indian Gaming Regulatory Act. To document this action, the tribe should submit a letter stating that they do not have any outstanding fines with the federal government or a letter stating that they have entered into a written agreement for payment of the fines, along with a copy of that agreement. Documents should be submitted to the SCA.

#### **3. Payment of State Start-up Assessment**

- a. On the effective date of the compact, pay to the SCA a one time "start-up assessment" fee of \$50,000 to assist the State in initiating its oversight and administrative responsibilities (instructions on how to pay fees to the state are in the next section).

### **b. Tribal-State Gaming Identification Number**

On execution of the Compact and payment of the startup assessment fee, the SCA will issue an identification number to be used by the Tribe in making future payments and filing documents with the SCA. This provision has been added by the SCA to make it easier to track documents, payments and other dealings with each tribal government.

## C. Payment of Fees to the State

As described in the previous section, the tribes are required to pay a one-time startup assessment to the state in the amount of \$50,000.

In addition to the one-time startup assessment described in the previous section, the tribes are required under the compact to pay the following assessments to the state.

1. Payment of State Annual Oversight Assessment (Part 11, Section B)
  - a. This \$35,000 fee will be paid in advance on a fiscal year basis for each 12 month period ending on June 30. If paid for a partial year, the fee will be prorated. Payment to be made to the SCA. Use form G-1 for the payment of this fee and for payment of the one-time startup fee.
2. Payment of exclusivity fees to the state (Part 11, Section A, Paragraphs 1 and 2)
  - a. Part 11 of the compact, paragraph A describes these fees, agreed to by the tribe when executing the compact. These fees are to be paid no later than the twentieth day of the month for revenues received by the tribe in the preceding month. Use form G-3 for payment of these fees.

The fee shall be as follows. All fees will be paid monthly:

- a. four percent (4%) of the first Ten Million Dollars (\$10,000,000.00) of adjusted gross revenues received by a tribe in a calendar year from the play of electronic amusement games, electronic bonanza-style bingo games and electronic instant bingo games,
- b. five percent (5%) of the next Ten Million Dollars (\$10,000,000.00) of adjusted gross revenues received by a tribe in a calendar year from the play of electronic amusement games, electronic bonanza-style bingo games and electronic instant bingo games,
- c. six percent (6%) of all subsequent adjusted gross revenues received by a tribe in a calendar year from the play of electronic amusement games, electronic bonanza-style bingo games and electronic instant bingo games, and
- d. ten percent (10%) of the monthly net win of the common pool(s) or pot(s) from which prizes are paid for nonhouse-banked card games. The tribe is entitled to keep an amount equal to state payments from the common pool(s) or pot(s) as part of its cost of operating the games.

**Fees should be calculated as follows for the 3 types of non-house banked card games:**

### ***Blackjack-type Non-house Banked Table Games***

In these types of games in which players compete against a pool, the "house" winnings on each hand are placed into a common players' pool and the "house" losses on each hand are paid out from the common players' pool. The Tribe is to pay the State 10% of the net additions to this common pool for the exclusivity fee. The common pool will be the net amount of bets placed by the players less the amounts paid out in normal play to the winning players. This "net win" placed in the pool, less the State's exclusivity fee and any direct costs collected from the pool for the Tribe's operation of the games, is to be returned to the players in the form of cash or other prizes. The net win or additions to the common pool should be tracked for each day and any special prizes paid to the

players should not be netted out from a day's net win. The net wins for each day should be accumulated, and the 10% to be paid to the State will be 10% of the total of the daily net wins accumulated for the month.

For example, if a tribe has one casino, which has 10 blackjack tables. On day one, the blackjack players have lost to the common pool \$10,000 more than they won. The net win for the day is \$10,000. The casino paid out an additional \$2,000 in special prizes to the players that day from the common pool. Therefore, the net change in cash to the common pool is \$8,000. The \$2,000 is not to be netted from the daily net win. The exclusivity fee of 10% is to be calculated before deducting the special prizes paid to the players. Therefore, in this example, the exclusivity fee would be \$1,000 (10% x \$10,000.) The net win for each day during the rest of the month is to be accumulated and used to calculate the 10% exclusivity fee paid to the State.

#### ***Poker-type Non-house Banked Table Games***

In these types of games, since players do not compete against the "house", there is not a common pool as in blackjack type games. The players bet on the hands they are dealt and compete against other players. The bets are placed in a common pot and the Tribes generally pull a "rake" from each pot. These rakes are typically based on a percentage of the pots and may be capped at a specified dollar amount or even set at a specified dollar amount. For these types of games, the rake is deemed to be the "net win" of the common pots. The Tribe should keep a daily record of the total of the net wins and pay the 10% exclusivity fee based on the monthly total of these rakes.

For example, assume a Tribe operates poker tables and collects a rake or commission of 10% of each pot. If the pot for a particular game is \$500, the house rake or "net win" would be \$50. The exclusivity fee would be calculated as 10% of the \$50 net win, or \$5.

#### ***Tournament Style Games***

For games played in a tournament style format in which players pay an entry fee for play, the "net win" is deemed to be the total of all entry fees paid by the players. A daily record should be maintained and the 10% exclusivity fee should be calculated based on the monthly total of these fees.

For example, assume a Tribe operates a poker tournament which requires players to pay a \$100 entry fee to participate. Assuming 20 players participate in the tournament, the "net win" or common pool would be \$2,000. The exclusivity fee to be paid to the State would be 10% of the \$2,000, or \$200.

Payment of all fees should be made to the State Treasurer electronically. Payments should be supported by the filing of the appropriate notice of deposit with the SCA. Form G-1 is the Notice of Deposit / Payment Form for the one-time startup assessment and the annual oversight assessment. Form G-3 is the Notice of Deposit / Payment Form for the monthly exclusivity fees. This form summarizes revenues and calculates the fees. Form G-4 should be completed for each Tribal facility and it provides details about covered game revenues.

Questions about the payment process should be directed to the SCA, the Oklahoma Office of State Finance, Tribal-State Gaming Compact Compliance Unit at 405-552-8033.

## D. Definitions (Title 3A, Section 281, Part 2)

1. "Adjusted gross revenues" means the total receipts received from the play of all covered games minus all prize payouts;
2. "Annual oversight assessment" means the assessment described in subsection B of Part 11 of the Compact;
3. "Central computer" means a computer to which player terminals are linked to allow competition in electronic bonanza-style bingo games;
4. "Compact" means this Tribal Gaming Compact between the state and the tribe, entered into pursuant to Sections 21 and 22 of the State-Tribal Gaming Act;
5. "Covered game" means the following games conducted in accordance with the standards, as applicable, set forth in Sections 11 through 18 of the State-Tribal Gaming Act: an electronic bonanza-style bingo game, an electronic amusement game, an electronic instant bingo game, nonhouse-banked card games; any other game, if the operation of such game by a tribe would require a compact and if such game has been: (i) approved by the Oklahoma Horse Racing Commission for use by an organizational licensee, (ii) approved by state legislation for use by any person or entity, or (iii) approved by amendment of the State-Tribal Gaming Act;
6. "Covered game employee" means any individual employed by the enterprise or a third party providing management services to the enterprise, whose responsibilities include the rendering of services with respect to the operation, maintenance or management of covered games. The term "covered game employee" includes, but is not limited to, the following: managers and assistant managers; accounting personnel; surveillance and security personnel; cashiers, supervisors, and floor personnel; cage personnel; and any other person whose employment duties require or authorize access to areas of the facility related to the conduct of covered games or the maintenance or storage of covered game components. This shall not include upper level tribal employees or tribe's elected officials so long as such individuals are not directly involved in the operation, maintenance, or management of covered game components. The enterprise may, at its discretion, include other persons employed at or in connection with the enterprise within the definition of covered game employee;
7. "Documents" means books, records, electronic, magnetic and computer media documents and other writings and materials, copies thereof, and information contained therein;
8. "Effective date" means the date on which the last of the conditions set forth in subsection A of Part 15 of the Compact have been met;
9. "Electronic accounting system" means an electronic system that provides a secure means to receive, store and access data and record critical functions and activities, as set forth in the State-Tribal Gaming Act;
10. "Electronic amusement game" means a game that is played in an electronic environment in which a player's performance and opportunity for success can be improved by skill that conforms to the standards set forth in the State-Tribal Gaming Act;
11. "Electronic bonanza-style bingo game" means a game played in an electronic environment in which some or all of the numbers or symbols are drawn or electronically determined before the electronic bingo cards for that game are sold that conforms to the standards set forth in the State-Tribal Gaming Act;
12. "Electronic instant bingo game" means a game played in an electronic environment in which a player wins if his or her electronic instant bingo card contains a combination of numbers or symbols that was designated in advance of the game as a winning combination. There may be

- multiple winning combinations in each game and multiple winning cards that conform to the standards set forth in the State-Tribal Gaming Act;
13. "Enterprise" means the tribe or the tribal agency or section of tribal management with direct responsibility for the conduct of covered games, the tribal business enterprise that conducts covered games, or a person, corporation or other entity that has entered into a management contract with the tribe to conduct covered games, in accordance with IGRA. The names, addresses and identifying information of any covered game employees shall be forwarded to the SCA at least annually. In any event, the tribe shall have the ultimate responsibility for ensuring that the tribe or enterprise fulfills the responsibilities under the Compact. For purposes of enforcement, the tribe is deemed to have made all promises for the enterprise;
  14. "Facility" means any building of the tribe in which the covered games authorized by the Compact are conducted by the enterprise, located on Indian lands as defined by IGRA. The tribe shall have the ultimate responsibility for ensuring that a facility conforms to the Compact as required herein;
  15. "Game play credits" means a method of representing value obtained from the exchange of cash or cash equivalents, or earned as a prize, in connection with electronic gaming. Game play credits may be redeemed for cash or a cash equivalent;
  16. "Player terminals" means electronic or electromechanical terminals housed in cabinets with input devices and video screens or electromechanical displays on which players play electronic bonanza-style bingo games, electronic instant bingo games or electronic amusement games;
  17. "Independent testing laboratory" means a laboratory of national reputation that is demonstrably competent and qualified to scientifically test and evaluate devices for compliance with the Compact and to otherwise perform the functions assigned to it in the Compact. An independent testing laboratory shall not be owned or controlled by the tribe, the enterprise, an organizational licensee as defined in the State-Tribal Gaming Act, the state, or any manufacturer, supplier or operator of gaming devices. The selection of an independent testing laboratory for any purpose under the Compact shall be made from a list of one or more laboratories mutually agreed upon by the parties; provided that the parties hereby agree that any laboratory upon which the National Indian Gaming Commission has relied for such testing may be utilized for testing required by the Compact;
  18. "IGRA" means the Indian Gaming Regulatory Act, Pub. L. 100-497, Oct. 17, 1988, 102 Stat. 2467, codified at 25 U.S.C., Section 2701 et seq. and 18 U.S.C., Sections 1166 to 1168;
  19. "Monthly Net Win" means the monthly gross amount of non-house banked card game common pools or pots paid out to winning players, less any amounts paid by the Tribe to "seed" the common pools. The net win is calculated as follows for the 3 types of table games:
    - A. Blackjack-type, non-house banked table games the net win equals the gross amount of "house" winnings, less "house" losses and pool "seed" money.
    - B. Poker-type, non-house banked card games, the net win equals the "house" rake taken from each pot.
    - C. Tournament-type, non-house banked table games, the net win equals the amount of entry fees collected from players for participation in the tournament.
  20. "Nonhouse-banked card games" means any card game in which the tribe has no interest in the outcome of the game, including games played in tournament formats and games in which the tribe collects a fee from the player for participating, and all bets are placed in a common pool or pot from which all player winnings, prizes and direct costs are paid. As provided herein, administrative fees may be charged by the tribe against any common pool in an amount equal to any fee paid the state; provided that the tribe may seed the pool as it determines necessary from time to time;

21. "Patron" means any person who is on the premises of a gaming facility, for the purpose of playing covered games authorized by the Compact;
22. "Principal" means, with respect to any entity, its sole proprietor or any partner, trustee, beneficiary or shareholder holding five percent (5%) or more of its beneficial or controlling ownership, either directly or indirectly, or any officer, director, principal management employee, or key employee thereof;
23. "Rules and regulations" means the rules and regulations promulgated by the Tribal Compliance Agency for implementation of the Compact;
24. "Standards" means the descriptions and specifications of electronic amusement games, electronic bonanza-style bingo games and electronic instant bingo games or components thereof as set forth in Sections 11 through 18 of the State-Tribal Gaming Act as enacted in 2004 or as amended pursuant to paragraph 27 of this Part or subsection D of Part 13 of the Compact, including technical specifications for component parts, requirements for cashless transaction systems, software tools for security and audit purposes, and procedures for operation of such games;
25. "State" means the State of Oklahoma;
26. "State Compliance Agency" ("SCA") means the state agency that has the authority to carry out the state's oversight responsibilities under the Compact, which shall be the Office of State Finance or its successor agency. Nothing herein shall supplant the role or duties of the Oklahoma State Bureau of Investigation under state law. The Oklahoma Horse Racing Commission and the Oklahoma Tax Commission shall have no role in regulating or oversight of any gaming conducted by a tribe;
27. "Tribal Compliance Agency" ("TCA") means the tribal governmental agency that has the authority to carry out the tribe's regulatory and oversight responsibilities under the Compact. Unless and until otherwise designated by the tribe, the TCA shall be the Tribe's Gaming Commission. No covered game employee may be a member or employee of the TCA. The tribe shall have the ultimate responsibility for ensuring that the TCA fulfills its responsibilities under the Compact. The members of the TCA shall be subject to background investigations and licensed to the extent required by any tribal or federal law, and in accordance with subsection B of Part 7 of the Compact. The tribe shall ensure that all TCA officers and agents are qualified for such position and receive ongoing training to obtain and maintain skills that are sufficient to carry out their responsibilities in accordance with industry standards;
28. "State-Tribal Gaming Act" means the legislation in which this Model Tribal Gaming Compact is set forth and, at the tribe's option, amendments or successor statutes thereto;
29. "Tribal law enforcement agency" means a police or security force established and maintained by the tribe pursuant to the tribe's powers of self-government to carry out law enforcement duties at or in connection with a facility; and
30. "Tribe" means the [Name of Nation].

## **E. Responsibilities of the Tribe**

### **1. Rules and General Duties of the Tribe**

A. At all times during the Term of the Compact, the tribe shall be responsible for all duties which are assigned to it, the enterprise, the facility, and the TCA under the Compact. The tribe shall promulgate any rules and regulations necessary to implement the Compact, which at a minimum shall expressly include or incorporate by reference all provisions of Part 5 and the procedural requirements of Part 6 of the Compact. Nothing in the Compact shall be construed to affect the tribe's right to amend its rules and regulations, provided that any such amendment shall be in conformity with the Compact. The SCA may propose additional rules and regulations related to implementation of the Compact to the TCA at any time, and the TCA shall give good faith consideration to such suggestions and shall notify the SCA of its response or action with respect thereto. (Part 5; Section A)

B. The tribe and TCA shall be responsible for regulating activities pursuant to the Compact. As part of its responsibilities, the tribe shall require the enterprise do the following:

- 1). Operate the conduct of covered games in compliance with the Compact, including, but not limited to, the standards and the tribe's rules and regulations;
- 2). Take reasonable measures to assure the physical safety of enterprise patrons and personnel, prevent illegal activity at the facility, and protect any rights of patrons under the Indian Civil Rights Act, 25 U.S.C., Sec. 1302-1303;
- 3). Promptly notify appropriate law enforcement authorities of persons who may be involved in illegal acts in accordance with applicable law;
- 4). Assure that the construction and maintenance of the facility meets or exceeds federal and tribal standards for comparable buildings; and
- 5). Prepare adequate emergency access plans to ensure the health and safety of all covered game patrons. Upon the finalization of emergency access plans, the TCA or enterprise shall forward copies of such plans to the SCA. (Part 7, Section A, Paragraphs 1-5)

### **2. Location of Facilities**

The tribe may establish and operate enterprises and facilities that operate covered games only on its Indian lands as defined by IGRA. The tribe shall notify the SCA of the operation of any new facility following the effective date of the Compact. Nothing herein shall be construed as expanding or otherwise altering the term "Indian lands", as that term is defined in the IGRA, nor shall anything herein be construed as altering the federal process governing the tribal acquisition of "Indian lands" for gaming purposes. (Part 5, Section L)

### **3. Games and Rules of Play / Records of Covered Games**

A. Operation of Covered Games. The tribe and state agree that the tribe is authorized to operate covered games only in accordance with the Compact. However, nothing in the Compact shall limit the tribe's right to operate any game that is Class II under IGRA and no Class II games shall be subject to the exclusivity payments set forth in Part 11 of the Compact. In the case of electronic bonanza-style bingo games, there have been disagreements between tribes and federal regulators as to whether or not such games are Class II. Without conceding that such games are Class III, the tribe has agreed to compact with the state to operate the specific type of electronic bonanza-

style bingo game described in the Compact to remove any legal uncertainty as to the tribe's right to lawfully operate the game. Should the electronic bonanza-style bingo game or the electronic instant bingo game described in this act be determined to be Class II by the NIGC or a federal court, then the tribe shall have the option to operate such games outside of the Compact; provided, any obligations pursuant to subsection F of Part 11 of the Compact shall not be affected thereby. (Part 4, Section A)

B. *Certification of Games.* A tribe shall not operate an electronic bonanza-style bingo game, an electronic instant bingo game or an electronic amusement game pursuant to the Compact until such game has been certified by an independent testing laboratory and the TCA as meeting the standards set out in the State-Tribal Gaming Act for electronic bonanza-style bingo games, electronic instant bingo games or electronic amusement games, as applicable or any standards contained in the Oklahoma Horse Racing Commission rules issued pursuant to subsection B of Section 9 the State-Tribal Gaming Act (Title 3A, Section 268, subsection B) that modify the standards for such games that may be conducted by organizational licensees. Provided, the tribe may rely on any certification of an electronic bonanza-style bingo game, an electronic instant bingo, or electronic amusement games by the Oklahoma Horse Racing Commission which was obtained by an organization licensee pursuant to the State-Tribal Gaming Act to establish certification compliance under the Compact. The tribe may also rely on any certification of an electronic bonanza-style bingo game, electronic instant bingo or an electronic amusement game by the TCA obtained by another tribe which has entered into the model compact to establish certification compliance under the Compact. (Part 4, Section B)

C. *Compliance; Internal Control Standards.* All enterprises and facilities shall comply with, and all covered games approved under the procedures set forth in the Compact shall be operated in accordance with the requirements set forth in the Compact, including, but not limited to, those set forth in subsections C and D of this Part. In addition, all enterprises and facilities shall comply with tribal internal control standards that provide a level of control that equals or exceeds those set forth in the National Indian Gaming Commission's Minimum Internal Control Standards (25 C.F.R., Part 542). (Part 5, Section B)

D. *Reporting of Covered Games to SCA.* The TCA shall keep a record of, and shall report at least quarterly to the SCA, the number of covered games in each facility, by the name or type of each and its identifying number. (Part 5, Section M) To make this report, the TCA should use SCA Form G-230.

E. *Summaries of Game Rules.* Summaries of the rules for playing covered games and winning prizes shall be visibly displayed in the facility. Complete sets of rules shall be available in pamphlet form in the facility. (Part 5, Section G)

#### **4. Audits** (Part 5, Section F)

A. Consistent with 25 C.F.R., Section 571.12, Audit Standards, the TCA shall ensure that an annual independent financial audit of the enterprise's conduct of covered games subject to the Compact is secured. The audit shall, at a minimum, examine revenues and expenses in connection with the conduct of covered games in accordance with generally accepted auditing standards and shall include, but not be limited to, those matters necessary to verify the determination of adjusted gross revenues and the basis of the payments made to the state pursuant to Part 11 of the Compact.

- B. The auditor selected by the TCA shall be a firm of known and demonstrable experience, expertise and stature in conducting audits of this kind and scope.
- C. The audit shall be concluded within five (5) months following the close of each Tribal fiscal year, provided that extensions may be requested by the tribe and shall not be refused by the state where the circumstances justifying the extension request are beyond the tribe's control.
- D. The audit of the conduct of covered games may be conducted as part of or in conjunction with the audit of the enterprise, but if so conducted shall be separately stated for the reporting purposes required herein.
- E. The audit shall conform to generally accepted auditing standards. As part of the audit report, the auditor shall certify to the TCA that, in the course of the audit, the auditor discovered no matters within the scope of the audit which were determined or believed to be in violation of any provision of the Compact.
- F. The enterprise shall assume all costs in connection with the audit.
- G. The audit report for the conduct of covered games shall be submitted to the SCA within thirty (30) days of completion. The auditor's work papers concerning covered games shall be made available to the SCA upon request.
- H. Representatives of the SCA may, upon request, meet with the auditors to discuss the work papers, the audit or any matters in connection therewith; provided, such discussions are limited to covered games information and pursue legitimate state covered games interests.

## **5. Records** (Part 5, Section C)

In addition to other records required to be maintained herein, the enterprise or tribe shall maintain the following records related to implementation of the Compact in permanent form and as written or entered, whether manually or by computer, and which shall be maintained by the enterprise and made available for inspection by the SCA for no less than three (3) years from the date generated:

1. A log recording all surveillance activities in the monitoring room of the facility, including, but not limited to, surveillance records kept in the normal course of enterprise operations and in accordance with industry standards; provided, notwithstanding anything to the contrary herein, surveillance records may, at the discretion of the enterprise, be destroyed if no incident has been reported within one (1) year following the date such records were made. Records, as used in the Compact, shall include video tapes and any other storage media;
2. Payout from the conduct of all covered games;
3. Maintenance logs for all covered games gaming equipment used by the enterprise;
4. Security logs as kept in the normal course of conducting and maintaining security at the facility, which at a minimum shall conform to industry practices for such reports. The security logs shall document any unusual or nonstandard activities, occurrences or events at or related to the facility or in connection with the enterprise. Each incident, without regard to materiality, shall be assigned a sequential number for each such report. At a minimum, the security logs shall consist of the following information, which shall be recorded in a reasonable fashion noting:
  - a. the assigned number of the incident,
  - b. the date of the incident,
  - c. the time of the incident,
  - d. the location of the incident,
  - e. the nature of the incident,

- f. the identity, including identification information, of any persons involved in the incident and any known witnesses to the incident, and
  - g. the tribal compliance officer making the report and any other persons contributing to its preparation;
5. Books and records on all covered game activities of the enterprise shall be maintained in accordance with generally accepted accounting principles (*GAAP*); and
  6. All documents generated in accordance with the Compact.

## **6. Destruction of Documents** (Part 5, Section K)

Enterprise books, records and other materials documenting the conduct of covered games shall be destroyed only in accordance with rules and regulations adopted by the TCA, which at a minimum shall provide as follows:

1. Material that might be utilized in connection with a potential tort claim pursuant to Part 6 of the Compact, including, but not limited to, incident reports, surveillance records, statements, and the like, shall be maintained at least one (1) year beyond the time which a claim can be made under Part 6 of the Compact or, if a tort claim is made, beyond the final disposition of such claim;
2. Material that might be utilized in connection with a prize claim, including but not limited to incident reports, surveillance records, statements, and the like, shall be maintained at least one hundred eighty (180) days beyond the time which a claim can be made under Part 6 of the Compact or, if a prize claim is made, beyond the final disposition of such claim; and
3. Notwithstanding anything herein to the contrary, all enterprise books and records with respect to the conduct of covered games or the operation of the enterprise, including, but not limited to, all interim and final financial and audit reports and materials related thereto which have been generated in the ordinary course of business, shall be maintained for the minimum period of three (3) years.

## **7. Use of Net Revenues** (Part 5, Section D)

Net revenues that the tribe receives from covered games are to be used for any one or more of those purposes permitted under IGRA:

1. To fund tribal government 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.

## **8. Age Restrictions on Players**

No person who would not be eligible to be a patron of a pari-mutuel system of wagering pursuant to the provisions of subsection B of Section 208.4 of Title 3A \* of the Oklahoma Statutes shall be admitted into any area in a facility where covered games are played, nor be permitted to operate, or obtain a prize from or in connection with the operation of, any covered game, directly or indirectly.

\* Title 3A, Section 208.4. ....

B. No organization licensee shall knowingly permit any minor to be a patron of the pari-mutuel system of wagering conducted by the organization licensee .....

## **9. Persons Barred from Play** (Part 5, Section E)

1. The tribe's rules and regulations shall require the enterprise at a minimum to bar persons based on their prior conduct at the facility or who, because of their criminal history or association with criminal offenders, pose a threat to the integrity of the conduct of covered games.
2. The TCA shall establish a list of the persons barred from the facility.
3. The enterprise shall employ its best efforts to exclude persons on such list from entry into its facility; provided, neither persons who are barred but gain access to the facility, nor any other person, shall have any claim against the state, the tribe or the enterprise or any other person for failing to enforce such bar.
4. Patrons who believe they may be playing covered games on a compulsive basis may request that their names be placed on the list. All covered game employees shall receive training on identifying players who have a problem with compulsive playing and shall be instructed to ask them to leave. Signs and other materials shall be readily available to direct such compulsive players to agencies where they may receive counseling.

## **10. Licensing** (Part 10)

### **A. Covered Game Employees**

1. Except as provided in the Compact, no covered game employee shall be employed at a facility or by an enterprise unless such person is licensed in accordance with the Compact. In addition to the provisions of this Part which are applicable to the licensing of all covered game employees, the requirements of 25 C.F.R., Part 556, Background Investigations for Primary Management Officials and Key Employees, and 25 C.F.R., Part 558, Gaming Licenses for Key Employees and Primary Management Officials, apply to Key Employees and Primary Management Officials of the facility and enterprise.
2. All prospective covered game employees shall apply to the TCA for a license. Licenses shall be issued for periods of no more than two (2) years, after which they may be renewed only following review and update of the information upon which the license was based; provided, the TCA may extend the period in which the license is valid for a reasonable time pending the outcome of any investigation being conducted in connection with the renewal of such license. In the event the SCA contends that any such extension is unreasonable, it may seek resolution of that issue pursuant to Part 11 of the Compact.
3. The application process shall require the TCA to obtain sufficient information and identification from the applicant to permit a background investigation to determine if a license should be issued in accordance with this Part and the rules and regulations. The TCA shall obtain information about a prospective covered game employee that includes:
  - a. full name, including any aliases by which applicant has ever been known,
  - b. social security number,
  - c. date and place of birth,
  - d. residential addresses for the past five (5) years,
  - e. employment history for the past five (5) years,
  - f. driver license number,
  - g. all licenses issued and disciplinary charges filed, whether or not discipline was imposed, by any state or tribal regulatory authority,

- h. all criminal arrests and proceedings, except for minor traffic offenses, to which the applicant has been a party,
- i. a set of fingerprints,
- j. a current photograph,
- k. military service history, and
- l. any other information the TCA determines is necessary to conduct a thorough background investigation.

4. The TCA may issue a temporary license for a period not to exceed ninety (90) days, and the enterprise may employ on a probationary basis, any prospective covered game employee who represents in writing that he or she meets the standards set forth in this Part, provided the TCA or enterprise is not in possession of information to the contrary. The temporary license shall expire at the end of the ninety-day period or upon issuance or denial of a permanent license, whichever event occurs first. Provided that the temporary license period may be extended at the discretion of the TCA so long as good faith efforts are being made by the applicant to provide required information, or the TCA is continuing to conduct its investigation or is waiting on information from others, and provided further that in the course of such temporary or extended temporary licensing period, no information has come to the attention of the TCA which, in the absence of countervailing information then in the record, would otherwise require denial of license. A permanent license shall be issued or denied within a reasonable time following the completion of the applicant's background investigation.

5. In covered gaming the tribe shall not employ and shall terminate, and the TCA shall not license and shall revoke a license previously issued to, any covered game employee who:

- a. has been convicted of any felony or an offense related to any covered games or other gaming activity,
- b. has knowingly and willfully provided false material, statements or information on his or her employment application, or
- c. is a person whose prior activities, criminal record, or reputation, habits, and associations pose a threat to the public interest or to the effective regulation and control of the conduct of covered games, or create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of covered games or the carrying on of the business and financial arrangements incidental thereto.

6. The SCA may object to the employment of any individual by the enterprise based upon the criteria set forth in paragraph 6 of subsection A of this Part. Such objection shall be in writing setting forth the basis of the objection. The SCA inspector's work papers, notes and exhibits which formed the SCA conclusion shall be available upon reasonable notice for TCA review. The enterprise shall have discretion to employ an individual over the objection of the SCA.

7. The TCA shall have the discretion to initiate or continue a background investigation of any licensee or license applicant and to take appropriate action with respect to the issuance or continued validity of any license at any time, including suspending or revoking such license.

8. The TCA shall require all covered game employees to wear, in plain view, identification cards issued by the TCA which include a photograph of the employee, his or her first name, a four-digit identification number unique to the license issued to the employee, a tribal seal or signature

verifying official issuance of the card, and a date of expiration, which shall not extend beyond such employee's license expiration date.

#### **B. Goods and Services Providers**

1. Any person or entity who, directly or indirectly, provides or is likely to provide at least Twenty-five Thousand Dollars (\$25,000.00) in goods or services to the enterprise in any twelve-month period, or who has received at least Twenty-five Thousand Dollars (\$25,000.00) for goods or services provided to the enterprise in any consecutive twelve-month period within the immediately preceding twenty-four-month period, or any person or entity who provides through sale, lease, rental or otherwise covered games, or parts, maintenance or service in connection therewith to the tribe or the enterprise at any time and in any amount, shall be licensed by the TCA prior to the provision thereof. Provided, that attorneys or certified public accountants and their firms shall be exempt from the licensing requirement herein to the extent that they are providing services covered by their professional licenses.
2. Background investigations and licensing shall follow the same process and apply the same criteria as for covered game employees set forth in paragraph 6 of subsection A of this Part.
3. In the case of a license application of any entity, all principals thereof shall be subjected to the same background investigation required for the licensing of a covered game employee, but no license as such need be issued; provided, no license shall be issued to the entity if the TCA determines that one or more of its principals will be persons who would not be qualified to receive a license if they applied as covered game employees.
4. Nothing herein shall prohibit the TCA from processing and issuing a license to a principal in his or her own name.
5. Licenses issued under this subsection shall be reviewed at least every two (2) years for continuing compliance, and shall be promptly revoked if the licensee is determined to be in violation of the standards set forth in paragraph 6 of subsection A of this Part. In connection with such a review, the TCA shall require the person or entity to update all information provided in the previous application.
6. The enterprise shall not enter into, or continue to make payments pursuant to, any contract or agreement for the provision of goods or services with any person or entity who does not meet the requirements of this Part including, but not limited to, any person or entity whose application to the TCA for a license has been denied, or whose license has expired or been suspended or revoked.
7. Pursuant to 25 C.F.R., Part 533, all management contracts must be approved by the Chair of the National Indian Gaming Commission. The SCA shall be notified promptly after any such approval.
8. In addition to any licensing criteria set forth above, if any person or entity seeking licensing under this subsection is to receive any fee or other payment based on the revenues or profits of the enterprise, the TCA may take into account whether or not such fee or other payment is fair in light of market conditions and practices.

**C. Financing Provided to Facility or Enterprise**

1. Subject to the exceptions set forth in paragraph 4 of this subsection, any person or entity extending financing, directly or indirectly, to the facility or enterprise in excess of Fifty Thousand Dollars (\$50,000.00) in any twelve-month period shall be licensed prior to providing such financing. Principals thereof shall be subjected to background investigations and determinations in accordance with the procedures and standards set forth in subsection A of this Part. Licenses issued under this section shall be reviewed at least every two (2) years for continuing compliance, and shall be promptly revoked if the licensee is determined to be in violation of the standards set forth in paragraph 6 of subsection A of this Part. In connection with such a review, the TCA shall require the person or entity to update all information provided in the previous application.
2. The SCA shall be notified of all financing and loan transactions with respect to covered games or supplies in which the amount exceeds Fifty Thousand Dollars (\$50,000.00) in any twelve-month period, and shall be entitled to review copies of all agreements and documents in connection therewith. Use SCA Form G-320 to report such transactions.
3. A supplier of goods or services who provides financing exclusively in connection with the sale or lease of covered games equipment or supplies shall be licensed solely in accordance with licensing procedures applicable, if at all, to such suppliers herein.
4. Financing provided by a federally regulated or state-regulated bank, savings and loan, or trust, or other federally or state-regulated lending institution; any agency of the federal, state, tribal or local government; or any person or entity, including, but not limited to, an institutional investor who, alone or in conjunction with others, lends money through publicly or commercially traded bonds or other commercially traded instruments, including but not limited to the holders of such bonds or instruments or their assignees or transferees, or which bonds or commercially traded instruments are underwritten by any entity whose shares are publicly traded or which underwriter, at the time of the underwriting, has assets in excess of One Hundred Million Dollars (\$100,000,000.00), shall be exempt from the licensing and background investigation requirements in subsection B of this Part or this subsection.

**D. Objections by SCA**

In the event the SCA objects to a lender, vendor or any other person or entity within subsection B or C of this Part seeking to do business with the enterprise, or to the continued holding of a license by such person or entity, it may notify the TCA of its objection. The notice shall set forth the basis of the objection with sufficient particularity to enable the TCA to investigate the basis of the objection. The SCA inspector and SCA inspector field notes shall be available for TCA review and inquiry. Within a reasonable time after such notification, the TCA shall report to the SCA on the outcome of its investigation and of any action taken or decision not to take action.

**11. Supervisory Lines of Authority** (Part 5, Section H)

The enterprise shall provide the TCA and SCA with a chart of the supervisory lines of authority with respect to those directly responsible for the conduct of covered games, and shall promptly notify those agencies of any material changes thereto.

**12. Sale of Alcoholic Beverages** (Part 5, Section I)

The sale and service of alcoholic beverages in a facility shall be in compliance with applicable state, federal and tribal law in regard to the licensing and sale of such beverages.

**13. Tort Claims; Prize Claims; Limited Consent to Suit** (Part 6)

A. The enterprise shall ensure that patrons of a facility are afforded due process in seeking and receiving just and reasonable compensation for a tort claim for personal injury or property damage against the enterprise arising out of incidents occurring at a facility, hereinafter "tort claim", as follows:

1. During the term of the Compact, the enterprise shall maintain public liability insurance for the express purposes of covering and satisfying tort claims. The insurance shall have liability limits of not less than Two Hundred Fifty Thousand Dollars (\$250,000.00) for any one person and Two Million Dollars (\$2,000,000.00) for any one occurrence for personal injury, and One Million Dollars (\$1,000,000.00) for any one occurrence for property damage, hereinafter the "limit of liability", or the corresponding limits under the Governmental Tort Claims Act, whichever is greater. No tort claim shall be paid, or be the subject of any award, in excess of the limit of liability;
2. The tribe consents to suit on a limited basis with respect to tort claims subject to the limitations set forth in this subsection and subsection C of this Part. No consents to suit with respect to tort claims, or as to any other claims against the tribe shall be deemed to have been made under the Compact, except as provided in subsections B and C of this Part;
3. The enterprise's insurance policy shall include an endorsement providing that the insurer may not invoke tribal sovereign immunity in connection with any claim made within the limit of liability if the claim complies with the limited consent provisions of subsection C of this Part. Copies of all such insurance policies shall be forwarded to the SCA;
4. Any patron having a tort claim shall file a written tort claim notice by delivery to the enterprise or the TCA. The date the tort claim notice is filed with the enterprise or the TCA shall be deemed the official date of filing the tort claim notice. The tort claim notice shall be filed within one (1) year of the date of the event which allegedly caused the claimed loss. Failure to file the tort claim notice during such period of time shall forever bar such tort claim; provided that a tort claim notice filed with the enterprise or the TCA more than ninety (90) days, but within one (1) year, after the event shall be deemed to be timely filed, but any judgment thereon shall be reduced by ten percent (10%).
5. If the tort claim notice is filed with the TCA, the TCA shall forward a copy of the tort claim to the enterprise and the SCA within forty-eight (48) hours of filing, and if the tort claim notice is filed with the enterprise, the enterprise shall forward a copy of the tort claim to the TCA and the SCA within forty-eight (48) hours of filing;
6. The tort claim notice shall state the date, time, place and circumstances of the incident upon which the tort claim is based, the identity of any persons known to have information regarding the incident, including employees or others involved in or who witnessed the incident, the amount of compensation and the basis for said relief; the name, address and telephone number of the claimant, and the name, address and telephone number of any representative authorized to act or settle the claim on behalf of the claimant;
7. All tort claim notices shall be signed by the claimant. The rules and regulations may additionally require that the tort claim notices be signed under oath. The rules and regulations may also require that as a condition of prosecuting tort claims, the claimant shall appear to be interviewed or deposed at least once under reasonable circumstances, which shall include the attendance of the claimant's legal counsel if requested; provided that the enterprise shall afford claimant at least thirty (30) days' written notice of the interview or

- deposition; and provided further that the claimant's failure to appear without cause for any interview or deposition properly noticed pursuant to this paragraph shall be deemed a voluntary withdrawal of the tort claim;
8. The enterprise shall promptly review, investigate, and make a determination regarding the tort claim. Any portion of a tort claim which is unresolved shall be deemed denied if the enterprise fails to notify the claimant in writing of its approval within ninety (90) days of the filing date, unless the parties by written agreement extend the date by which a denial shall be deemed issued if no other action is taken. Each extension shall be for no more than ninety (90) days, but there shall be no limit on the number of written agreements for extensions, provided that no written agreement for extension shall be valid unless signed by the claimant and an authorized representative of the enterprise. The claimant and the enterprise may continue attempts to settle a claim beyond an extended date; provided, settlement negotiations shall not extend the date of denial in the absence of a written agreement for extension as required by this paragraph;
  9. A judicial proceeding for any cause arising from a tort claim may be maintained in accordance with and subject to the limitations of subsection C of this Part only if the following requirements have been met:
    - a. the claimant has followed all procedures required by this Part, including, without limitation, the delivery of a valid and timely written tort claim notice to the enterprise,
    - b. the enterprise has denied the tort claim, and
    - c. the claimant has filed the judicial proceeding no later than the one-hundred-eightieth day after denial of the claim by the enterprise; provided, that neither the claimant nor the enterprise may agree to extend the time to commence a judicial proceeding; and
  10. Notices explaining the procedure and time limitations with respect to making a tort claim shall be prominently posted in the facility. Such notices shall explain the method and places for making a tort claim, that this procedure is the exclusive method of making a tort claim, and that claims that do not follow these procedures shall be forever barred. The enterprise shall make pamphlets containing the requirements in this subsection readily available to all patrons of the facility and shall provide such pamphlets to a claimant within five (5) days of the filing of a claim.

B. Prize Claims. The enterprise shall ensure that patrons of a facility are afforded due process in seeking and receiving just and reasonable compensation arising from a patron's dispute, in connection with his or her play of any covered game, the amount of any prize which has been awarded, the failure to be awarded a prize, or the right to receive a refund or other compensation, hereafter "prize claim", as follows:

1. The tribe consents to suit on a limited basis with respect to prize claims against the enterprise only as set forth in subsection C of this Part; no consents to suit with respect to prize claims, or as to any other claims against the tribe shall be deemed to have been made under the Compact, except as provided in subsections A and C of this Part;
2. The maximum amount of any prize claim shall be the amount of the prize which the claimant establishes he or she was entitled to be awarded, hereafter "prize limit";
3. Any patron having a prize claim shall file a written prize claim notice by delivery to the enterprise or the TCA. The date the prize claim is filed with the enterprise or the TCA shall be deemed the official date of filing the prize claim notice. The prize claim notice

- shall be filed within ten (10) days of the event which is the basis of the claim. Failure to file the prize claim notice during such period of time shall forever bar such prize claim;
4. If the prize claim notice is filed with the TCA, the TCA shall forward a copy of the prize claim to the enterprise and the SCA within forty-eight (48) hours of its filing; and if the prize claim notice is filed with the enterprise, the enterprise shall forward a copy of the prize claim to the TCA and the SCA within forty-eight (48) hours of filing;
  5. The written prize claim notice shall state the date, time, place and circumstances of the incident upon which the prize claim is based, the identity of any persons known to have information regarding the incident, including employees or others involved in or who witnessed the incident, the amount demanded and the basis for said amount, the name, address and telephone number of the claimant, and the name, address and telephone number of any representative authorized to act or settle the claim on behalf of the claimant;
  6. All notices of prize claims shall be signed by the claimant. The rules and regulations may additionally require that the prize claim notices be signed under oath;
  7. The enterprise shall promptly review, investigate and make a determination regarding the prize claim. Claimants shall cooperate in providing information, including personal sworn statements and agreeing to be interviewed, as the enterprise shall reasonably request. The claimant is permitted to have counsel present during any such interview;
  8. If the prize claim is not resolved within seventy-two (72) hours from the time of filing the claim in accordance with paragraph 5 of this subsection, the TCA shall immediately notify the SCA in writing that the claim has not been resolved;
  9. In the event the claim is resolved, the TCA shall not be obligated to report that fact to the SCA, but shall make TCA reports available for review;
  10. Any portion of a prize claim which is unresolved shall be deemed denied if the enterprise fails to notify the claimant in writing of its approval within thirty (30) days of the filing date, unless the parties agree by written agreement to extend the date. Each extension shall be for no more than thirty (30) days, but there shall be no limit on the number of written agreements for extensions; provided, that no written agreements for extension shall be valid unless signed by the claimant and an authorized representative of the TCA. The claimant and the enterprise may continue attempts to settle a claim beyond an extended date; provided, settlement negotiations shall not extend the date of denial in the absence of a written extension required by this paragraph;
  11. A judicial proceeding for any cause arising from a prize claim may be maintained in accordance with and subject to the limitations of subsection C of this Part only if the following requirements have been met:
    - a. the claimant has followed all procedures required by this Part, including without limitation, the delivery of a valid and timely written prize claim notice to the enterprise,
    - b. the enterprise has denied the prize claim, and
    - c. the claimant has filed the judicial proceeding no later than one hundred eighty (180) days after denial of the claim by the enterprise; provided that neither the claimant nor the enterprise may extend the time to commence a judicial proceeding; and
  12. Notices explaining the procedure and time limitations with respect to making a prize claim shall be prominently posted in the facility. Such notices shall explain the method and places for making claims, that this procedure is the exclusive method of making a prize claim, and that claims that do not follow this procedure shall be forever barred. The enterprise shall

make pamphlets containing the requirements in this subsection readily available to all patrons of the facility and shall provide such pamphlets to a claimant by the TCA within five (5) days of the filing date of a claim.

**C. Limited Consent to Suit for Tort Claims and Prize Claims.**

The tribe consents to suit against the enterprise in a court of competent jurisdiction with respect to a tort claim or prize claim if all requirements of paragraph 9 of subsection A or all requirements of paragraph 11 of subsection B of this Part have been met; provided that such consent shall be subject to the following additional conditions and limitations:

1. For tort claims, consent to suit is granted only to the extent such claim or any award or judgment rendered thereon does not exceed the limit of liability. Under no circumstances shall any consent to suit be effective as to any award which exceeds such applicable amounts. This consent shall only extend to the patron actually claiming to have been injured. A tort claim shall not be assignable. In the event any assignment of the tort claim is made in violation of the Compact, or any person other than the patron claiming the injury becomes a party to any action hereunder, this consent shall be deemed revoked for all purposes. Notwithstanding the foregoing, consent to suit shall not be revoked if an action on a tort claim is filed by (i) a court appointed representative of a claimant's estate, (ii) an indispensable party, or (iii) a health provider or other party subrogated to the claimant's rights by virtue of any insurance policy; provided, that nothing herein is intended to, or shall constitute a consent to suit against the enterprise as to such party except to the extent such party's claim is:
  - a. in lieu of and identical to the claim that would have been made by the claimant directly but for the appointment of said representative or indispensable party, and participation of such other party is in lieu of and not in addition to pursuit of the claim by the patron, and
  - b. the claim of such other party would have been subject to a consent to suit hereunder if it had been made by the claimant directly; and
2. For prize claims, consent is granted only to the extent such claim does not exceed the prize limit. Under no circumstances shall any award exceed the prize limit. This consent shall only extend to the patron actually claiming to have engaged in the play of a covered game on which the claim is based. Prize claims shall not be assignable. In the event any assignment of the prize claim is made, or any person other than the claimant entitled to make the claim becomes a party to any action hereunder, this consent shall be deemed revoked for all purposes. Notwithstanding the foregoing, consent to suit shall not be revoked if an action on a prize claim is filed by (i) a court-appointed representative of a claimant's estate, or (ii) an indispensable party, provided that nothing herein is intended to, or shall constitute a consent to suit against the enterprise as to such party except to the extent such party's claim is:
  - a. in lieu of and identical to the claim that would have been made by the claimant directly but for the appointment of said representative or indispensable party, and participation of such other party is in lieu of and not in addition to pursuit of the claim by the patron, and
  - b. the claim of such other party would have been subject to a consent to suit hereunder if it had been made by the claimant directly.

**D. Remedies in the Event of No or Inadequate Insurance for Tort Claim.**

In the event a tort claim is made and there is no, or inadequate, insurance in effect as required under the Compact, the enterprise shall be deemed to be in default hereunder unless, within ten (10) days of a demand by the SCA or a claimant to do so, the enterprise has posted in an irrevocable escrow account at a state or federally chartered bank which is not owned or controlled by the tribe, sufficient cash, a bond or other security sufficient to cover any award that might be made within the limits set forth in paragraph 1 of subsection A of this Part, and informs the claimant and the state of:

1. The posting of the cash or bond;
2. The means by which the deposit can be independently verified as to the amount and the fact that it is irrevocable until the matter is finally resolved;
3. The right of the claimant to have this claim satisfied from the deposit if the claimant is successful on the claim; and
4. The notice and hearing opportunities in accordance with the tribe's tort law, if any, otherwise in accordance with principles of due process, which will be afforded to the claimant so that the intent of the Compact to provide claimants with a meaningful opportunity to seek a just remedy under fair conditions will be fulfilled.

## **F. State Monitoring of the Compact** (Part 8)

A. The SCA shall, pursuant to the provisions of the Compact, have the authority to monitor the conduct of covered games to ensure that the covered games are conducted in compliance with the provisions of the Compact. In order to properly monitor the conduct of covered games, agents of the SCA shall have reasonable access to all areas of the facility related to the conduct of covered games as provided herein:

1. Access to the facility by the SCA shall be during the facility's normal operating hours only; provided that to the extent such inspections are limited to areas of the facility where the public is normally permitted, SCA agents may inspect the facility without giving prior notice to the enterprise;
2. Any suspected or claimed violations of the Compact or of law shall be directed in writing to the TCA; SCA agents shall not interfere with the functioning of the enterprise; and
3. Before SCA agents enter any nonpublic area of the facility, they shall provide proper photographic identification to the TCA. SCA agents shall be accompanied in nonpublic areas of the facility by a TCA agent. A one-hour notice by SCA to the TCA may be required to assure that a TCA officer is available to accompany SCA agents at all times.

B. Subject to the provisions herein, agents of the SCA shall have the right to review and copy documents of the enterprise related to its conduct of covered games. The review and copying of such documents shall be during normal business hours or hours otherwise at tribe's discretion. However, the SCA shall not be permitted to copy those portions of any documents of the enterprise related to its conduct of covered games that contain business or marketing strategies or other proprietary and confidential information of the enterprise, including, but not limited to, customer lists, business plans, advertising programs, marketing studies, and customer demographics or profiles. No documents of the enterprise related to its conduct of covered games or copies thereof shall be released to the public by the state under any circumstances. All such documents shall be deemed confidential documents owned by the tribe and shall not be subject to public release by the state.

C. At the completion of any SCA inspection or investigation, the SCA shall forward a written report thereof to the TCA. The TCA shall be apprised on a timely basis of all pertinent, nonconfidential information regarding any violation of federal, state, or tribal laws, the rules or regulations, or the Compact. Nothing herein prevents the SCA from contacting tribal or federal law enforcement authorities for suspected criminal wrongdoing involving the TCA. TCA may interview SCA inspectors upon reasonable notice and examine work papers and SCA in the same fashion that SCA inspectors may examine auditors' notes and make auditor inquiry unless providing such information to the TCA will compromise the interests sought to be protected. If the SCA determines that providing the information to the TCA will compromise the interests sought to be protected, then the SCA shall provide such information to the tribe in accordance with Part 13 of the Compact.

D. Nothing in the Compact shall be deemed to authorize the state to regulate the tribe's government, including the TCA, or to interfere in any way with the tribe's selection of its governmental officers, including members of the TCA; provided, however, the SCA and the tribe, upon request of the tribe, shall jointly employ, at the tribe's expense, an independent firm to perform on behalf of the SCA the duties set forth in subsections A and B of this Part.

## **G. Forms**

Forms will initially be prepared manually and filed by mail or fax. The SCA will develop web-based forms and filing capabilities for many of the filing requirements in the future. Tribes will be notified as these capabilities are made available and as additional forms are available for use in reporting.

### A. Forms to use for reporting to SCA

G-1: Payment of One-time Startup Fee and / or Annual Oversight Assessment Fees

G-3: Payment / Notice of Deposit of Monthly Exclusivity Fees

G-4: Monthly Revenues by Facility and Game Type

G-57: Name, address and ID Information of all Covered Game Employees

G-220: Notification to SCA by Tribe of Operation and any New Locations

G-230: Quarterly Reports from TCA to SCA of Covered Games in Each Facility

G-320: Notification of all Financing and Loan Transactions of Enterprise that Exceed \$50,000 in any 12-month Period

## H. Meetings With SCA

When a tribal government submits a copy of an executed compact to the Secretary of the Interior for approval, the SCA will contact the Tribe to set up an initial meeting. The purpose of the meeting will be to establish a relationship between the Tribal Gaming authorities and the SCA, discuss any concerns raised by either party and to gather information required by the compact.

Following is a list of the information that the Tribe will be requested to provide. Unless otherwise noted, all information is required information under the compact. Additional information requested to be provided is noted with an asterisk (\*).

As much of the information as possible should be available for this first meeting. If not, an agreed to timetable will be set for submitting the remaining information. Some of this information is required with compact approval. Some is required periodically, either monthly, quarterly, or annually. Some should be provided on an as-needed basis.

Item	Description of Item Requested
1	Copy of Tribe's Gaming Rules and Regulations.
2	List of all Casino locations, physical address, phone number, etc. (Form G-220).
3	List of current TCA (Tribal Compliance Agency) members / employees.
4	Proof of TCA member background checks and licensing.
5	Qualifications / resumes of TCA members. *
6	Evidence of training provided to TCA members. *
7	Copy of all Safety / Emergency Access Plans.
8	Copy of Tribe's internal control standards.
9	List of all management contracts.
10	Proof of NIGC approval of any management contracts.
11	If internal audit/control function is outsourced, name of firm and primary contact for the firm performing the procedures. Also include a copy of the internal audit/control schedule for the year.
12	Rules and regulations regarding retention and destruction of documents.
13	List of all covered games by facility with name, type of game, and identification number (Form G-230).
14	Proof of covered game certification.
15	Copies of most recent NIGC reports for tests of Minimum Internal Control Standards (MICS).
16	Copy of annual audit of Tribe's conduct of covered games, including the name of the audit firm and the name and phone number for the primary contact in the firm.
17	Proof of use of net revenues generated under compact for authorized Tribal purposes.
18	Organizational chart of those directly responsible for the conduct of covered games.
19	List of licensed covered game employees including name, address and other identifying information (Form G-57). List should show the status of the license.
20	List of all licenses revoked over last 2 years.
21	List of any persons and entities licensed to provide financing over \$50,000 including

	all applications and background information.
22	Copies of all agreements and documents relating to financing of covered games or supplies in excess of \$50,000 in any 12 month period.
23	Any financing agreements related to the sale or lease of covered games equipment or supplies in excess of \$50,000 in any 12 month period and any documents or agreements related thereto.
24	Listing of all vendors who provided at least \$25,000 in goods or services to the enterprise in any 12 month period.
25	Copy of the Casino's rules and regulations for barring persons based on criminal history or association, or that pose a threat to the integrity of the covered games.
26	List of persons banned from facilities.
27	Copy of Tribe's Governmental Tort Claims Act, if applicable
28	Copies of all public liability insurance policies relating to a facility utilizing covered games.
29	Copies of any tort claims notice received by the TCA or the Enterprise.
30	Copy of pamphlet available in facility which explains the rules for playing covered games and winning prizes.
31	Copies of all prize claim notices received by the TCA or the Enterprise.
32	Notification of all resolved prize claims.
33	Copy of notice posted in the facilities and pamphlets related to tort claims procedures made available to patrons. *
34	Copies of all prize claims notices posted in the facilities and pamphlets made available to patrons. *
35	If not included in internal controls, a written description of accounting systems in place in the casinos and how they will gather and report data related to the operation of covered games.
36	If not included in internal controls, a written description of methodology used to properly account for revenues and net-win from non-house banked table games.

# Tribal-State Gaming Compact

rev. 3/28/05

## Form G-1: Payment of One-time Startup Fee and/or Annual Oversight Assessment Fees

Tribe / Nation - - - \_\_\_\_\_ Date Completed: \_\_\_\_\_

Tribal-State Gaming Identification No. - - - - - \_\_\_\_\_

check one of the following boxes and complete the requested information

Notice of Electronic Deposit to proper State account

Deposit made on: \_\_\_\_\_  
(date)

Payment to the State of Oklahoma enclosed

*Oklahoma Office of State Finance  
State Tribal Gaming Compliance Unit  
2300 North Lincoln Boulevard, Room 122  
Oklahoma City, OK 73105-4801*

(round all \$ to the nearest whole dollar)

check the box and calculate the fee for each type of payment that is included

<input type="checkbox"/> 1. Payment of One-time Startup Assessment Fee - - - - -	Fees \$ -
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2. Payment of Annual Oversight Assessment Fee for the Fiscal Year ending June 30, \_\_\_\_\_

a. Payment of full 12-month fee to cover July 1 through June 30. -

b. Payment of partial year fee:

1) date covered game play begins - - - - - \_\_\_\_\_  
(date)

2) days left in the month - - - - -  × \$ 96 = -

3) months left in the fiscal year (through June 30) - - - - -  \$ 2,917 -

Total Annual Oversight Assessment Fees \$ -

Remit this amount - - - > \$ -

# Tribal-State Gaming Compact

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## Form G-3: Payment / Notice of Deposit of Monthly Exclusivity Fees

Tribe / Nation -----

Tribal-State Gaming Identification No. -----

Date Completed: \_\_\_\_\_

This report is for revenues received by Tribal operations during the month of: \_\_\_\_\_

(month and year)

(check one of the following boxes and complete the requested information)

Notice of Electronic Deposit to proper State account

Date of deposit: \_\_\_\_\_

Payment to the State of Oklahoma is enclosed

(round all \$ to the nearest whole dollar)

	Facility (1)	No. of Covered games (2)	Covered AGR (3)	No. of Card/table games (2)	Card/table Games Net Win (4)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					

A. Totals for the month - \$ - - \$ -

B. Cumulative Total Revenues from Previous Month (5)

C. Cumulative Total Revenues for the Year: A + B

\$ - \$ -

D. Calculated Fees (6):

revenues fees

D.1. 4% of first \$10,000,000 AGR during calendar year.

\$ - \$ -

D.2. 5% of next \$10,000,000 AGR during calendar year.

- -

D.3. 6% of all above \$20,000,000 AGR for the year.

- -

D.4. 10% of monthly net win from covered card games.

- -

D.5. Total Calculated Revenues/Fees for the Year (D.1., 2, 3, 4)

\$ - \$ -

E. Fees already paid for this calendar year (7)

F. Balance of Fees Owed for this Calendar Year: D - E

\$ -

G. Amount of Fees Paid with this Report (8)

H. Cumulative Fees Paid this Calendar Year: E + G

\$ -

**Notes:**

- List the name of the facility operated by or for the tribe.
- Enter the number of covered games licensed for operation in the facility on the last day of the month. For non-house banked card / table games, enter the maximum number of card/table games in operation in the facility during the month.
- Adjusted gross revenues received by the tribe from the play of electronic amusement games, electronic bonanza-style bingo games, electronic instant bingo games and any other approved, covered games for the month (excluding non-house banked card games).
- Monthly net win of the common pools or pots from which prizes are paid for nonhouse-banked card games less any "seed" money.
- The amounts to enter on this line will come from line C of the Form G-3 for the previous month of the same calendar year. \*
- Exclusivity Fees are calculated on calendar year revenues and paid on a monthly basis. This form calculates the fees based on total covered revenues during the year and then deducts the fees already paid.
- From line H of the Form G-3 for the previous month for the same calendar year. \*
- This amount should equal the Balance of Fees Owed on Line F. If not, enclose a written explanation.

\* If this is the first report of the calendar year, or for the first month of operations under the Compact, enter "\$0" on this line.

# Tribal-State Gaming Compact

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## Form G-4: Monthly Revenues by Facility and Game Type

Tribe / Nation -----

Facility Name \* -----

Date Completed: \_\_\_\_\_

Tribal-State Gaming Identification No. -- \_\_\_\_\_

This report is for revenues received during the month of: -----

\_\_\_\_\_  
(month and year)

Complete a separate Form G-4 for each Tribal Facility

(round all \$ to the nearest whole dollar)

	Type of Card/Table Game or Machine Type (1)	No. of Covered games (3)	Covered AGR (2)	No. of Card/table games (3)	Card/table Games Net Win (4)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
Totals for the month		-	\$ -	-	\$ -

(the totals from each Form G-4 should be reported on the corresponding monthly Form G-3)

**Notes:**

\* List the name of the facility operated by or for the tribe.

- List by type of game: electronic bonanza; amusement; instant bingo, blackjack, poker, etc.
- Adjusted gross revenues received by the tribe from the play of electronic amusement games, electronic bonanza-style bingo games and electronic instant bingo games for the month. The exclusivity fees for these revenues are paid monthly and calculated as follows: 4% of the first \$10,000,000 of AGR during the calendar year (starting January 1st); 5% of the next \$10,000,000 during the calendar year; 6% of the remainder of AGR during the calendar year (through December 31st).
- Enter the number of covered games licensed for operation in the facility on the last day of the month. For non-house banked card / table games, enter the maximum number of card/table games in operation in the facility during the month.
- Monthly net win of the common pool(s) or pot(s) from which prizes are paid for nonhouse-banked card games; excluding any seed money provided by the house. The monthly exclusivity fee is 10%.

### Tribal-State Gaming Compact

Form G-57: Name, address, and ID info of all covered game employees, at least annually, (p. 28)

Tribe / Nation \_\_\_\_\_

Tribal-State Gaming Identification No. \_\_\_\_\_

1. Employee Name: First \_\_\_\_\_ Middle: \_\_\_\_\_ Last: \_\_\_\_\_

Identification No.: \_\_\_\_\_ Status of License \*: \_\_\_\_\_

Employee Address: \_\_\_\_\_

Tribal facility(ies) where employee currently works: \_\_\_\_\_

Employee's Title: \_\_\_\_\_

2. Employee Name: First \_\_\_\_\_ Middle: \_\_\_\_\_ Last: \_\_\_\_\_

Identification No.: \_\_\_\_\_ Status of License \*: \_\_\_\_\_

Employee Address: \_\_\_\_\_

Tribal facility(ies) where employee currently works: \_\_\_\_\_

Employee's Title: \_\_\_\_\_

3. Employee Name: First \_\_\_\_\_ Middle: \_\_\_\_\_ Last: \_\_\_\_\_

Identification No.: \_\_\_\_\_ Status of License \*: \_\_\_\_\_

Employee Address: \_\_\_\_\_

Tribal facility(ies) where employee currently works: \_\_\_\_\_

Employee's Title: \_\_\_\_\_

4. Employee Name: First \_\_\_\_\_ Middle: \_\_\_\_\_ Last: \_\_\_\_\_

Identification No.: \_\_\_\_\_ Status of License \*: \_\_\_\_\_

Employee Address: \_\_\_\_\_

Tribal facility(ies) where employee currently works: \_\_\_\_\_

Employee's Title: \_\_\_\_\_

5. Employee Name: First \_\_\_\_\_ Middle: \_\_\_\_\_ Last: \_\_\_\_\_

Identification No.: \_\_\_\_\_ Status of License \*: \_\_\_\_\_

Employee Address: \_\_\_\_\_

Tribal facility(ies) where employee currently works: \_\_\_\_\_

Employee's Title: \_\_\_\_\_

(Add additional pages as necessary; continue the numbering in sequence)

\* Status of License: "initial license"; "renewed"; "temporary"

# Tribal-State Gaming Compact

Form G-220: Notification to SCA by Tribe of operation of any new locations (p. 35)

Tribe / Nation \_\_\_\_\_

Tribal-State Gaming Identification No. \_\_\_\_\_

For the Quarter Ending: \_\_\_\_\_, 2\_\_\_\_

**New Locations:**

1. Facility Name: \_\_\_\_\_

Physical Location: \_\_\_\_\_

Facility Address: \_\_\_\_\_

Facility Phone No.: \_\_\_\_\_

Facility Fax: \_\_\_\_\_

Web Site Address: \_\_\_\_\_

Email Address: \_\_\_\_\_

SCA Use Only: \_\_\_\_\_

2. Facility Name: \_\_\_\_\_

Physical Location: \_\_\_\_\_

Facility Address: \_\_\_\_\_

Facility Phone No.: \_\_\_\_\_

Facility Fax: \_\_\_\_\_

Web Site Address: \_\_\_\_\_

Email Address: \_\_\_\_\_

SCA Use Only: \_\_\_\_\_

3. Facility Name: \_\_\_\_\_

Physical Location: \_\_\_\_\_

Facility Address: \_\_\_\_\_

Facility Phone No.: \_\_\_\_\_

Facility Fax: \_\_\_\_\_

Web Site Address: \_\_\_\_\_

Email Address: \_\_\_\_\_

SCA Use Only: \_\_\_\_\_



## Tribal-State Gaming Compact

Form G-320: Notification of all financing and loan transactions of Enterprise that exceed \$50,000 in any 12 month period (p. 46)

Tribe / Nation \_\_\_\_\_

Tribal-State Gaming Identification No. \_\_\_\_\_

Date Submitted: \_\_\_\_\_

	Financing Person or Entity (a)	License no. (b)	Trans. Date (c)	Amount of Financing	
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					

- (a) Include all individual transactions that exceed \$50,000. Also include all transactions with a single person or entity if the total financing provided exceeds \$50,000 during any 12-month period.
- (b) License no.: each person or entity providing financing, directly or indirectly, to the facility or enterprise is to be licensed by the TCA. Provide that license identification number.
- (c) Transaction date: the date of the financing transaction.

## **I. Appendix**

See separate files.