



# ARIZONA DEPARTMENT OF GAMING ANNUAL REPORT 2014





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# GAMING IN ARIZONA

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The United States Congress enacted the Indian Gaming Regulatory Act (“IGRA”) of 1988, which established basic federal regulations and enforcement responsibilities for Indian gaming on reservations. Congress adopted this legislation to promote Tribal economic development while providing a framework for legitimate federal and state regulatory concerns.

Recognizing the growth of Indian gaming in the State and the need for an independent regulatory body with expertise in gaming, the Arizona Legislature passed Laws 1995, Chapter 76, which expanded the Arizona State Gaming Agency to become the Arizona Department of Gaming (“the Department”). The Department partners with Arizona’s Indian Tribes to oversee Indian casinos. Gaming in Arizona is governed by the Arizona Tribal-State Gaming Compacts between the State and 21 Arizona Tribes.

The Compact specifically sets forth the types of permitted games, establishes technical standards for the gaming machines, authorizes the state to inspect casinos, requires background investigations and licensing of casino employees and vendor companies, and requires tribes to contribute one to eight percent of their gaming revenue to state and local governments. The current compact lasts for ten years and can be renewed for another decade and one additional term of three years.

Currently, there are 16 Tribes operating 23 Class III casinos in the State. Another 5 Tribes do not have casinos but have slot machine rights they may lease to other Tribes. One of Arizona’s 22 Tribes (Hopi) doesn’t have a gaming Compact.



# MISSION & VALUES

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## MISSION

Protect the public, ensure compliance with the gaming compacts, and regulate the gaming industry

## VALUES

We act with integrity. We support diversity.

We work with the Tribes on a government-to-government basis. We are transparent, consistent, and predictable. We are professional, accountable, and responsible in all of our activities.

We respect and support each other.

## ARIZONA DEPARTMENT OF GAMING OFFICE LOCATIONS

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(P) 602.771.4263  
(F) 602.255.3883

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WEBSITE: [WWW.GAMING.AZ.GOV](http://WWW.GAMING.AZ.GOV)

# DIRECTOR'S MESSAGE

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While reviewing the state's new performance management system, it reminded me what a talented and diverse team we have assembled at the Arizona Department of Gaming (ADG). There are many facets to gaming regulation and it requires a wide variety of expertise to ensure the public is protected, the games are fair, and the money is distributed in accordance with Arizona Tribal – State Gaming Compacts. Our diverse team brings it all together.

ADG has auditors working alongside machine compliance technicians, financial investigators paired with sworn law enforcement officers, administrators teamed with attorneys, and more. This is in addition to our information technology, human resources and procurement professionals required for an agency of this size. The Office of Problem Gambling is also a section within the Department, raising awareness of problem gambling issues and providing education and treatment for those affected.

As regulators, we work to stay ahead of a dynamic gaming industry. While there are currently 23 casinos in Arizona; the Compacts authorize 29. Tribes are building larger facilities and seeking the latest gaming devices. ADG must therefore emphasize efficiency and maintain a culture of constant improvement.

ADG is up to the challenge! The Department is continually reviewing its processes and reallocating resources to preserve a meaningful and effective regulatory structure. Our team, made up of 100 at-will professionals, also reported one of the highest employee satisfaction scores for Arizona government in 2014. As I walk through the halls, I am always inspired by their talent, professionalism and commitment to accomplishing our mission.

In this 2014 annual report, I salute the team that makes ADG such a special agency and thank the people of Arizona for giving us the opportunity to serve.



**“Our diverse team brings it all together.”**  
**Dan Bergin,**  
**Director of**  
**the Arizona**  
**Department of**  
**Gaming**

Dan Bergin  
Director

# COMPACTED TRIBES

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## COMPACTED TRIBES WITH CASINOS

Ak-Chin Indian Community  
Harrah's Ak-Chin Casino

Cocopah Indian Tribe  
Cocopah Casino

Colorado River Indian Tribes  
Blue Water Casino

Fort McDowell Yavapai Nation  
Fort McDowell Gaming Center

Fort Mojave Indian Tribe  
Spirit Mountain Casino

Gila River Indian Community  
Wild Horse Pass, Vee Quiva,  
& Lone Butte Casinos

Navajo Nation  
Twin Arrows Casino

Pascua Yaqui Tribe of Arizona  
Casino of the Sun & Casino del Sol

Quechan Indian Tribe  
Paradise Casino

Salt River Pima-Maricopa Indian  
Community  
Casino Arizona & Talking Stick Resort

San Carlos Apache Tribe  
Apache Gold Casino

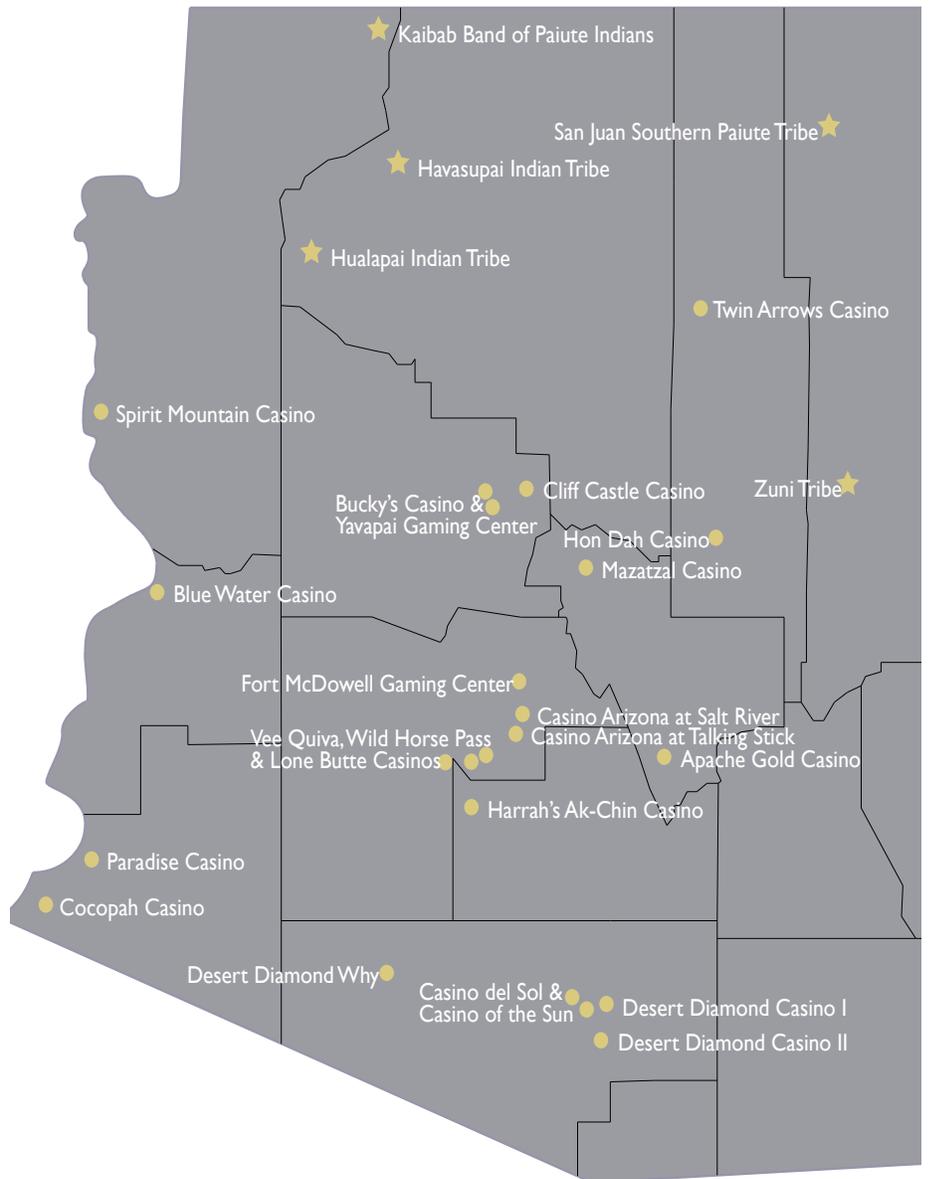
Tohono O'odham Nation  
Desert Diamond I, Desert Diamond II &  
Desert Diamond Why

Tonto Apache Tribe  
Mazatzal Casino

White Mountain Apache Tribe  
Hon Dah Casino

Yavapai-Apache Nation  
Cliff Castle Casino

Yavapai-Prescott Indian Tribe  
Yavapai Gaming Center & Bucky's Casino



## COMPACTED TRIBES WITHOUT CASINOS

Havasupai Indian Tribe

Hualapai Indian Tribe

Kaibab Band of Paiute Indians

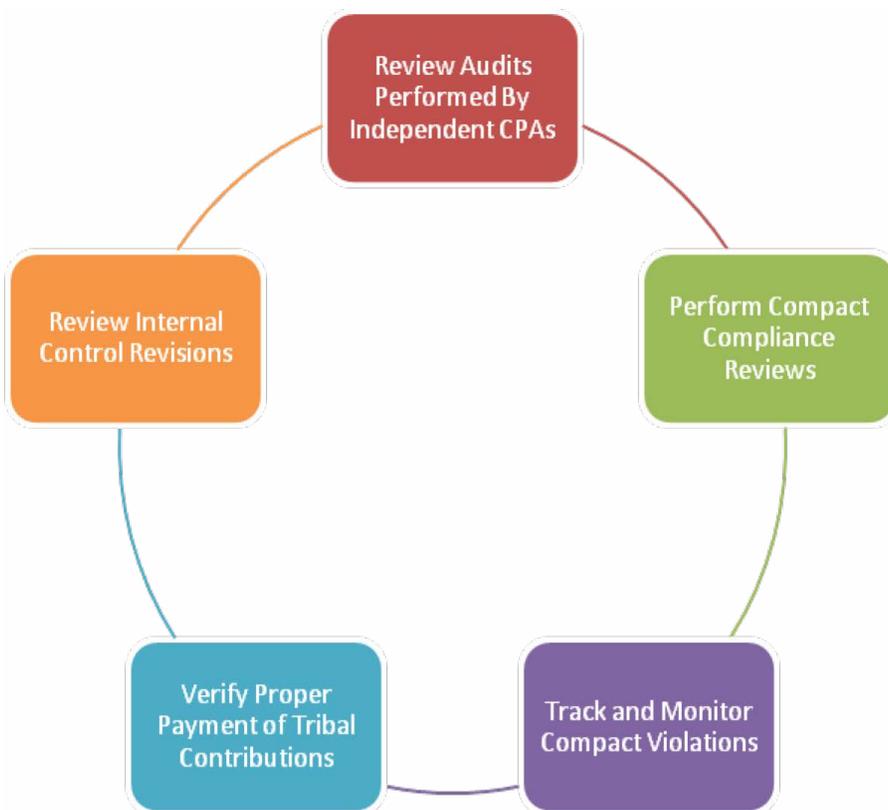
San Juan Southern Paiute Indian Tribe

Zuni Tribe

# AUDIT SECTION

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The Audit Section consists of teams responsible for evaluating compliance with the Compact. Teams conduct annual on-site audits of all casinos and teams test hundreds of minimum internal control standards by observing gaming activities, interviewing casino employees, reviewing procedures, testing slot monitoring systems and examining accounting records.



**The Audit Section tracks the flow of money from the casino floor all the way to financial reports, including verifying the timely payment of Tribal Contributions to the State**

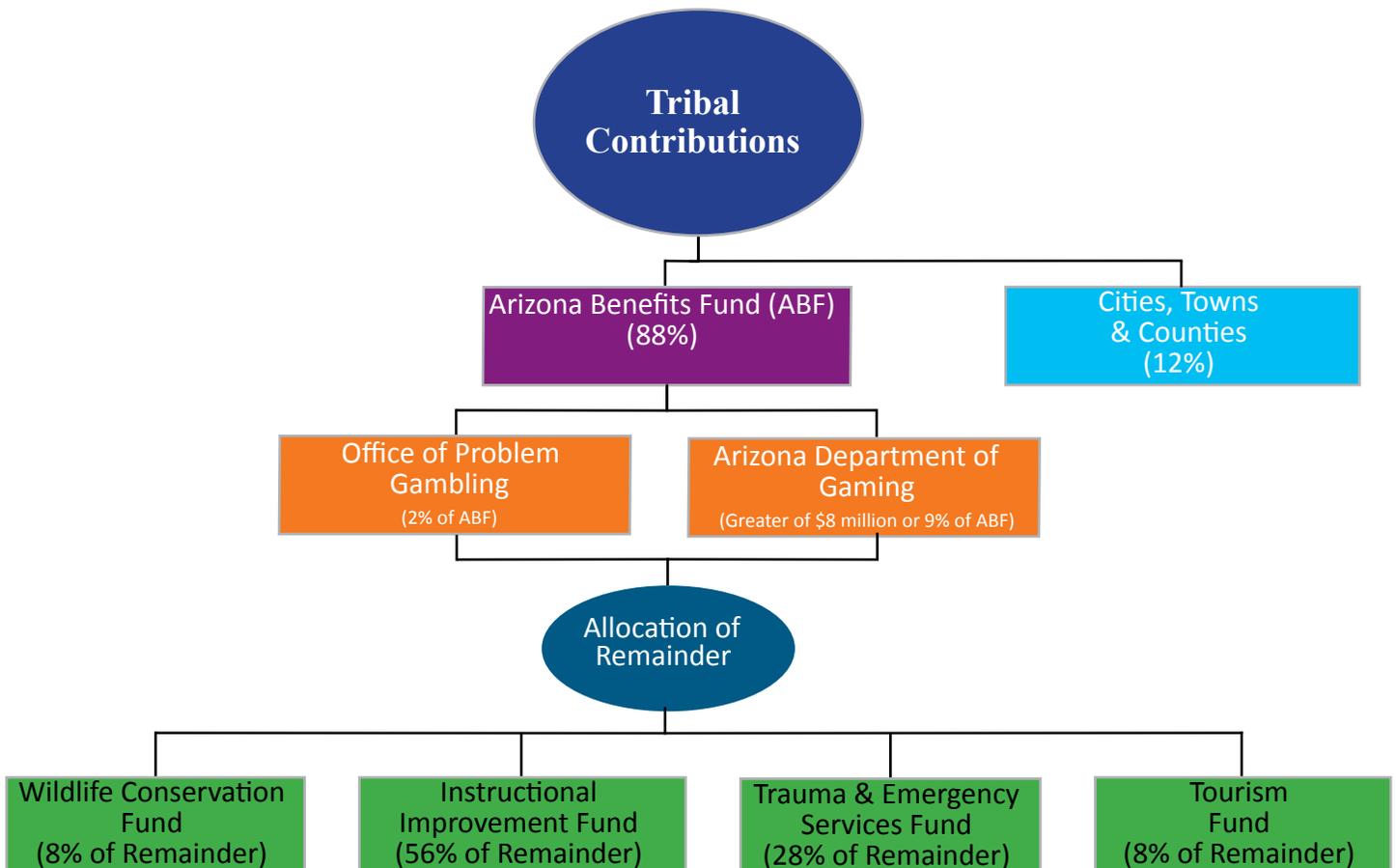
A CCR team conducting an audit of a Tribal gaming facility operation



# TRIBAL CONTRIBUTIONS

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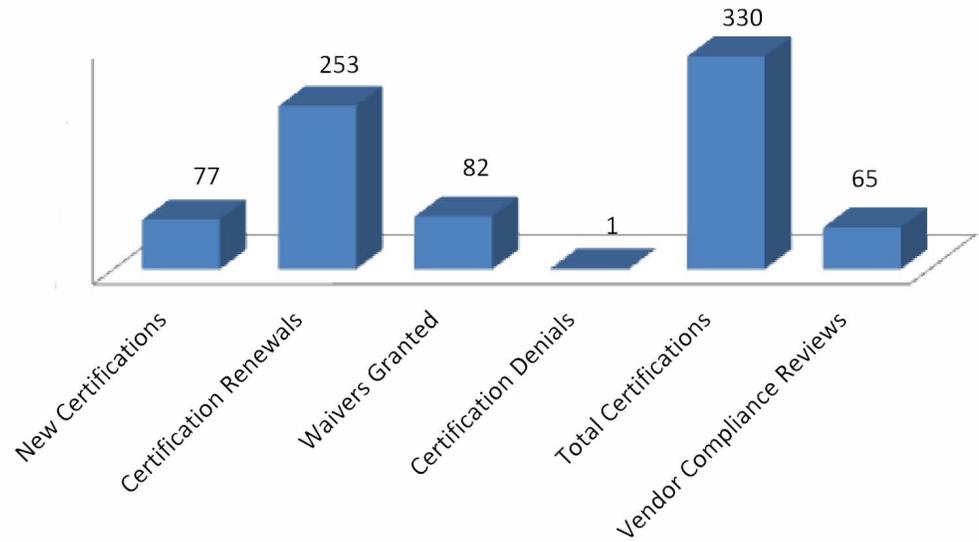
With the passage of Proposition 202 in November 2002, and the subsequent new Tribal-State Gaming Compact, participating Tribes in Arizona make quarterly contributions to the State. In fiscal year 2014, the gaming Tribes filed all Class III Net Win reports and quarterly Tribal Contribution payments as required. Contributions are based on each Tribe's Class III Net Win. In 2014, the aggregate amount of contributions reached approximately \$98 million. Of that, 88% of the Tribes' total annual contribution was paid to the Arizona Benefits Fund. The remaining 12% of gaming contributions was distributed by the Tribes directly to cities, towns and counties.



# VENDOR CERTIFICATION ANNUAL REPORT 2014

The Gaming Vendor Certification Section, comprised of special agents, financial investigators, compliance auditors and intake officers, determine the suitability of companies and principals doing business with casinos in Arizona. The Section certifies gaming facility financiers, contractors involved in casino management and operations, manufacturers and distributors of gaming devices, and companies offering services to casinos in excess of \$10,000 in any one month. The applicant company, principals and key personnel undergo in-depth background investigations to determine suitability for the issuance of State certification.

**ADG works to remove obstacles to the application process and provide casinos with a large pool of certified vendors**



Brenda Fung  
Financial Investigator



Luray Johnson  
Compliance Auditor



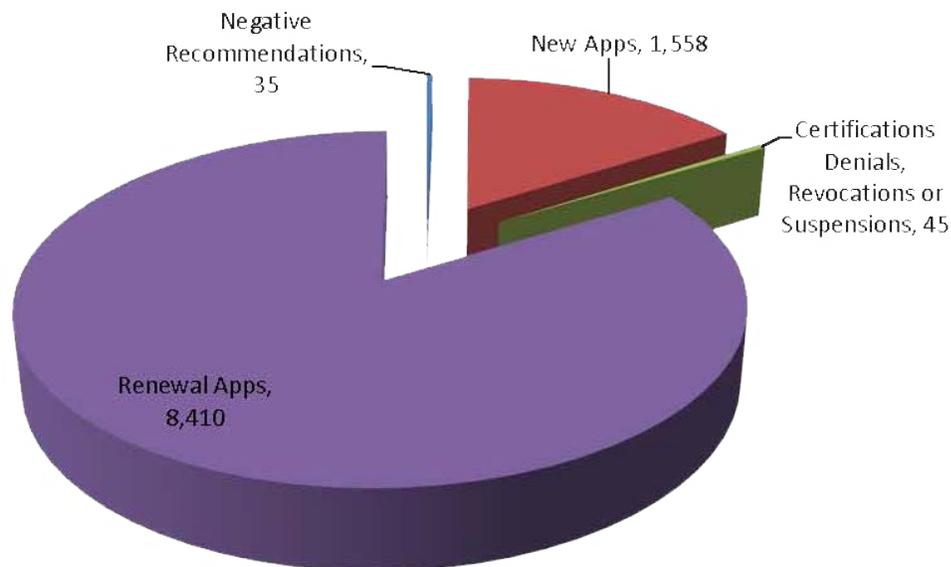
Michael Scott  
Special Agent

# EMPLOYEE CERTIFICATION ANNUAL REPORT 2014

The Employee Certification Section conducts extensive background checks on current and prospective employees to ensure that only suitable individuals are employed within the industry. The background process includes criminal history checks, fingerprints, credit history reports, financial background screenings and review of past employment. ADG works to ensure that only the most qualified individuals are employed in Arizona casinos.

## ACCOMPLISHMENTS

- Processed 1,558 new applications and 8,410 renewal applications
- Prepared Negative Recommendations/Revocation of Tribal licenses as necessary
- Established casino assignments and individual areas of responsibility in order to promote employee accountability and leadership
- Special Agents trained in enforcing State gambling laws played a major role in assisting fellow law enforcement agencies to combat illegal, off-reservation gambling



Katie DeRossett  
Financial Investigator



Bill Hanns  
Special Agent



Shawn Shahsavari  
Financial Investigator

# GAMES & SYSTEMS

COMPLIANCE

ANNUAL REPORT

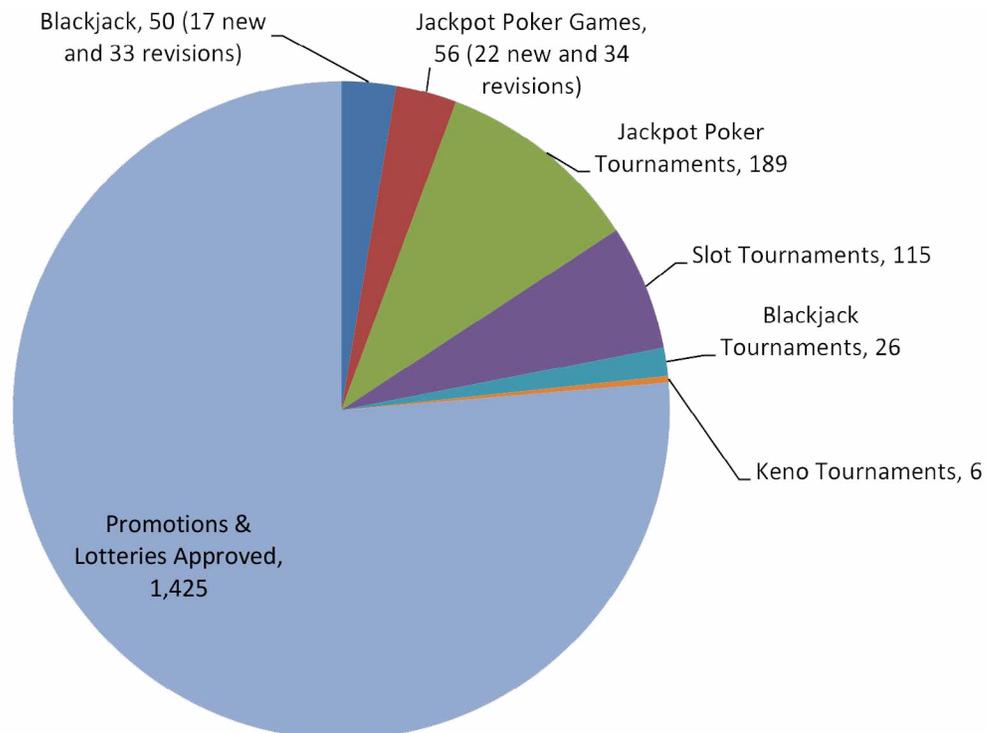
2014

The Games & Systems Compliance Section reviews all new poker and table games, revisions to existing games, drawings, lotteries, promotions, tournaments and new gaming technologies. This Section works closely with Tribal regulators, operators, game and technology developers and manufacturers to ensure the integrity of gaming and compliance with the Compact. Section employees pursue continuing education and monitor emerging trends in gaming and regulation. They also develop and provide training on a myriad of topics including game play, compact compliance, regulatory enhancement and gaming trends and technology.

## ACCOMPLISHMENTS

- Held internal training classes for ADG employees
- Provided training for the Arizona Tribal Gaming Regulators Alliance (ATGRA) Training Academy
- Performed on-site observations of various tournaments, drawings, and game implementation to ensure the proper procedures were followed
- Met with various manufacturers and distributors to review new products
- Attended training classes, conferences and trade shows to stay abreast of new technologies

**ADG stays abreast of emerging technologies and products in the gaming industry to maintain an effective regulatory structure.**



# GAMING DEVICE

COMPLIANCE

ANNUAL REPORT

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The Gaming Device Compliance Section inspects gaming devices, electronic monitoring systems and casino records to ensure that gaming devices are functioning properly and performing to manufacturer specifications. Before reaching the casino floor, all gaming device software and electronic monitoring systems are reviewed by an independent testing laboratory to confirm their compliance with Arizona's strict regulatory standards. The Gaming Device Compliance technicians inspect and test every new gaming device before they are put into play.

## ACCOMPLISHMENTS

- Inspected and certified 13,338 gaming devices, including 6,027 at random
- Provided training as part of the ATGRA Training Academy for Tribal regulators
- Improved computerized processes and tools to achieve a 98% paperless working environment
- Established casino assignments and individual areas of responsibility in order to promote employee accountability and leadership
- Supported the Intelligence Section with the inspection of seized illegal gambling devices
- Investigated complaints related to gaming devices at casino properties

**Compliance technicians perform frequent random inspections of gaming devices at all Arizona casinos throughout the year.**



# INTELLIGENCE

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The Intel Section continued to receive and track inquiries involving suspected off-reservation gambling operations and investigations of reported criminal incident information outside of Indian Country. It worked to track suspicious currency, persons excluded for criminal conduct and suspected gambling cheats. The Section assisted Tribal authorities by providing investigative assistance and intelligence on suspected criminal activities in their jurisdictions.

## ACCOMPLISHMENTS

- Tracked 1,933 criminal reports; 906 suspicious currency reports; and 859 restricted persons that have been excluded from casinos
- Received 155 gambling inquiries, opened 15 new criminal gambling complaints, and currently has 59 active cases being investigated
- Investigated nine illegal poker rooms resulting in seven search warrants, five felony convictions and three indictments still pending
- Conducted nine inspections of illegal Internet cafe operations, resulting in the closure of four locations
- Provided training to 188 students from four Tribes on writing effective reports, defensive tactics and drug recognition



Agents seize evidence from illegal poker rooms



# INVESTIGATIONS & INSPECTIONS

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The Investigations & Inspections Section monitors compact compliance by conducting on-site inspections of casino operations and investigating suspected compact violations and criminal activity. The Section is comprised of AZ POST certified special agents experienced in law enforcement. These agents provide valuable expertise to Tribal authorities in identifying potential problems and correcting deficiencies.

## ACCOMPLISHMENTS

- Established new protocols and procedures for tracking requests for casino information by outside law enforcement agencies
- Two agents assisted ATGRA with planning and implementing the 7th annual New Agents Training Academy
- All agents received continuing training and certification CPR, and met their yearly firearms qualification requirements
- Modified the Tribal Incident reporting system to better track and classify unusual occurrences and compact violation reports
- Over 12,600 reports were reviewed and classified

**ADG takes a proactive approach to the regulatory obligations and our on-site presence at the casinos helps to make us visible and increases the public confidence that gaming is well regulated**



Agents qualify for annual AZ POST Certification



# ADMINISTRATION

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## PROCUREMENT & GENERAL SERVICES

The Procurement and General Service Section is responsible for providing ADG with procurement, facility management, administrative support, website assistance, graphic design, and project management. By continuing to implement best practices in several areas, the section is able to help reduce expenditures and improve efficiency.

### ACCOMPLISHMENTS

- Improved workspace through floor plan improvements, including the addition of three new offices and expanded the training area
- Streamlined work processes to improve efficiency and reduce expenditures
- Executed contracts for new services including software programs, training classes, and treatment providers working with the Office of Problem Gambling
- Worked closely with the State Procurement Office to implement procurement reform measures
- Created new records-management system for the agency's fleet of vehicles aimed at improving efficiency in vehicle assignments, maintenance and loss-report management

## HUMAN RESOURCES

The HR Section serves the public and helps ensure the integrity of gaming regulation by recruiting the most qualified candidates and providing new employees with the tools and training to promote good health and professional growth.

### ACCOMPLISHMENTS

- Conducted 16 recruitments, requiring reviews of 486 resumes and applications
- Coordinated 103 interviews and provided 13 new employee orientations
- Served as the Department's primary liaison with the Arizona Department of Administration on all personnel related actions
- Held 2 Employee Wellness Events, conducted 6 Open Enrollment Meetings and sponsored 4 employee training events
- Served as primary resource to Department employees for inquiries concerning benefits and retirement



HR Manager Paula Daniels conducts a new employee orientation

# ADMINISTRATION

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## ACCOUNTING/FINANCE

The Financial Services Section's responsibilities include budgeting, planning, accounting for and managing ADG's revenues, including disbursement through the accounts payable system. The Unit handles all payroll and ensures compliance with good accounting practices and the State's guidelines. In addition, the Section facilitates all necessary travel.

## INFORMATION TECHNOLOGY

The IT Section provides and performs all of ADG's information technology requirements, including computer and technology functions, as well as maintaining the certification database system. The computer systems and programs have enabled ADG to perform its responsibilities under the Compact by streamlining work and tracking performance.

## ACCOMPLISHMENTS

- Upgraded the Integrated Regulator's Information System (IRIS) providing enhanced gaming device compliance and tracking capabilities for our technicians in the field
- Upgraded our audit work-paper system to Pentana Vision, providing a more efficient user interface to reduce audit cycle times, and direct access to the primary audit database
- In partnership with ADOA replaced our existing voice telephone system with Voice Over IP (VOIP) technology, completing integration with the AZNET II VOIP system
- Migrated the Department's two primary websites to the State's data center and new Content Management System template, providing tighter integration and common look and feel
- Began implementation of software systems (D3 Integrated Casino Management and Case Management) to better support regulatory certification, investigation and inspection processes Department-wide



IT and Certification Sections meet to discuss the implementation of the new D3 software system

# OFFICE OF PROBLEM GAMBLING

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The mission of the Office of Problem Gambling (OPG) is to provide and support problem gambling prevention, treatment and education programs throughout Arizona. OPG reaches out to the public to increase awareness of problem gambling. It coordinates the training of licensed counselors throughout the State who work under contract to treat those with gambling related issues. OPG continues to expand awareness that compulsive gambling exists and is treatable. It also administers the patron self-exclusion process, maintaining and disseminating a self-exclusion list of over 2,600 compulsive gamblers who have agreed to not enter an Arizona casino for 1, 5 or 10 years.

## ACCOMPLISHMENTS

- Provided training and insight to licensed counselors and other interested community members, regarding problem gambling awareness, intervention and recovery strategies
- An annual advanced training entitled “*Pathological Gambling: Investigating the Biological, Psychological & Social Factors in Treating Gamblers*” was presented by Dr. Timothy Fong, MD
- Planned and hosted a symposium during Arizona’s Problem Gambling Awareness week with keynote presentations by national problem gambling experts
- In fiscal year 2014, more than 400 people voluntarily banned themselves from casinos, while 645 self-exclusions expired



Office of Problem Gambling Team



ADG Director Bergin addresses the audience at the 2014 OPG Symposium

# AGENCY OUTREACH

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## CHRISTMAS WISH PROGRAM

The Christmas Wish Program with Wilson Primary School, located in one of the poverty-stricken neighborhoods in Phoenix, has been in place since 1995. For many of these children, Santa never comes. In FY 2014, over 50 ADG employees donated gifts and money, and an enthusiastic team provided the Wilson School party for the First Grade Class. Employees donated 31 “Santa” gifts for the students and raised monetary donations, which provided food and refreshments for the party, supplies for the classroom and gifts for the teacher and her aide.



## STATE EMPLOYEES CHARITABLE CAMPAIGN

The State Employees Charitable Campaign is conducted under Executive Order in partnership with the state fiscal agent Valley of the Sun United Way, a 501 (c) (3) charitable organization. More than 45,000 state employees donate funds to help support over 500 charities. In the past 21 years, State Employees have raised over \$24 million to support charities in Arizona, across the nation and throughout the world. ADG has participated in the campaign since 1997 and our long-term commitment to the campaign is reflected in the numerous awards won for such things as dollars raised, participation, Supergivers and Leadershipgivers.



# AGENCY EXPENDITURES

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## DEPARTMENT OF GAMING EXPENDITURES

<b>Fiscal Year 2014 Expenditures</b>	<b>Enforcement/ Problem Gambling</b>	<b>Certification</b>
Personal Services	4,553,100	1,336,500
Employee Related Expenditures	1,871,900	509,400
Professional & Outside Services	1,757,000	13,100
In-State Travel	271,500	12,700
Out-of-State Travel	40,600	37,000
Other Operating Expenses	1,264,700	30,000
Equipment	175,300	00
<sup>1</sup> Transfers	1,200	00
<b>Total Expenditures</b>	<b>9,935,300</b>	<b>1,938,700</b>

<sup>1</sup> To the Office of Administrative Hearings

# INTERNSHIP PROGRAM

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Internships provide students with practical learning and on-the-job training to enhance their academic experience and prepare for a professional career. ADG is proud to offer internship and job shadow opportunities in a variety of departments throughout our agency. We provide internships in the fields of finance, communications, legislative affairs, gaming law, information technology, problem gambling and law enforcement.

We have been grateful to partner with ASU in Legislative and Government Affairs Internship programs. This year, our agency hosted ASU student, Bariah Steiner, for 18 weeks. She followed legislative activity closely, worked with our communications and media relations team and helped the Office of Problem gambling with their annual symposium. We also welcomed back a prior job shadow student, Cindy Lyon, to intern with our problem gambling and communications teams. In addition ADG hosted three law externs; Claire Irvine, Nicole Payne and Stephanie McBride.

Not only are internships a valuable experience for students, but also a great asset for our agency. Internships provide a chance to showcase a career in state government and allow students to make connections with professionals in their field prior to graduating. ADG is continuing to explore new partnerships with colleges to offer opportunities to students.



Law Extern  
Clare Irvine



Legislative Intern Bariah  
Steiner volunteers at the  
2014 OPG Symposium



OPG & Communications  
Intern Cindy Lyon



Law Extern  
Nicole Payne



Law Extern  
Stephanie McBride

# ADG VIDEOS

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The agency remains committed to promoting public information and education regarding gambling in Arizona. Hundreds of calls are received each year covering a vast array of topics from Tribal contributions to charitable poker games. To help answer these questions and provide a better understanding, two videos were produced in 2014.

The first video, entitled “An Introduction to the Arizona Department of Gaming”, explains the agency’s mission and the resources used to accomplish it. The production includes a brief history of the Indian Gaming Regulatory Act, the establishment of the Arizona Department of Gaming, interviews with executive staff, and a glimpse of daily operations. This short video can be used for presentations in various forms.

The second video, entitled “Gambling in Arizona”, provides an introduction to gambling statutes in this jurisdiction. It highlights the differences between acceptable and illegal gambling. The video includes interactive scenarios where viewers can test their understanding to determine if certain off-reservation gaming activities fall within the laws in Arizona.

For more information on these videos, please visit our agency’s website at [www.gaming.az.gov](http://www.gaming.az.gov).



Director Dan Bergin and Assistant Director Michael McGee prepare for their video segments



# HISTORY OF GAMING

## IN ARIZONA

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In 1988, the U.S. Congress passed the Indian Gaming Regulatory Act (IGRA) in response to the proliferation of gambling halls on Indian reservations. IGRA recognized gaming as a way to promote Tribal economic development, self-sufficiency, and strong Tribal government. The Act says a State must permit Indians to run gaming on reservations if the State permits such gaming off reservation. Under the Indian Gaming Regulatory Act, a Tribe that wants to engage in Class III casino style gaming must first sign a gaming Compact (or agreement) with the State where the casino would be located. IGRA requires a State to negotiate in good faith with the Tribe seeking a Tribal-State Gaming Compact.



Ancient Dice

In enacting IGRA, Congress was reacting to a regulatory vacuum left by a 1987 U.S. Supreme Court ruling (*California v. Cabazon Band of Mission Indians*) that States have no regulatory authority over gaming on Indian reservations. That ruling said Tribes have the right to operate gaming on reservations if States allowed such gaming off-reservation.

The Indian Gaming Regulatory Act of 1988 expressly granted States and the Tribes the power to jointly regulate Class III Tribal gaming. Class III gaming includes slot machines, blackjack, keno and other casino style games. IGRA also created the federal National Indian Gaming Commission to oversee reservation bingo games and certain aspects of Class III gaming.

By the early 1990s, several Arizona Tribes had installed slot machines in their casinos even though none of them had a Tribal-State Gaming Compact with the State. The Arizona governor at the time, Fife Symington, said reservations shouldn't have casinos because Arizona didn't allow such gambling off-reservation. Tribes countered that Arizona did permit such gambling by allowing state lotteries, dog and horse racing, and charity bingo games off-reservation.

In May 1992, the National Indian Gaming Commission issued rules clarifying that a Tribe must have a gaming Compact with a State before the Tribe can operate slot machines. Immediately after the rules were announced, the Arizona Governor called on the U.S. Attorney in Phoenix to shut down casinos with the slot machines. FBI agents raided five Indian casinos and seized their slot machines. At Fort McDowell casino near Scottsdale, Tribal members formed a blockade to prevent the removal of the machines, and a three-week standoff ensued.

Against a backdrop of legal challenges by both sides that continued for more than a decade, Governor Symington signed Arizona's first set of Tribal-State Gaming Compacts with 16 Tribes from 1992 to 1994. The governor's successor, Jane Hull, signed a Compact with a 17th Tribe in 1998.

The Arizona Tribal-State Gaming Compact gave Tribes exclusive rights to operate slot machines and casino style gaming, limited the number of slot machines and casinos, established comprehensive rules governing gaming, and set minimum internal control standards for casino operations.

The Compact authorized the State of Arizona to ensure compliance with the Tribal-State Gaming Compact and to work with Tribal regulators to protect the integrity of Class III gaming on Tribal lands. This first set of Compacts was in effect from 1993 to 2003.

In the November 2002 general election, Arizona voters approved Proposition 202, which authorized the continuation of Indian gaming. From December 2002 to January 2003, Governor Hull signed new Tribal-State Gaming Compact with 16 Tribes. In 2003, Governor Janet Napolitano signed Compacts with an additional five Tribes. The Compact with each of the 21 Tribes is substantially identical. The Compact took effect in 2003. They last for 10 years, and can be renewed for another decade and an additional term of three years. The Compact is part of state law in Arizona Revised Statutes Section 5-601.02.

Currently, there are 16 Tribes operating 23 Class III casinos in the State. Another 6 Tribes do not have casinos but have slot machine rights they may lease to other Tribes. One of Arizona's 22 Tribes (Hopi) doesn't have a gaming Compact.

## History of Gaming Timeline

**1987** Cabazon Court Case – The legal foundation upon which Indian gaming is built.



**1988** Indian Gaming Regulatory Act (“IGRA”) – Congress responds to Cabazon by enacting IGRA, which establishes the federal legislative framework for Indian Gaming.

**1992** Yavapai-Prescott Indian Tribe v. Arizona – A federal district judge in Arizona rules that the State must negotiate with the Tribe and attempt to conclude a Compact.

The Legislature establishes the State Gaming Agency within the Department of Racing.

**1993** Yavapai-Prescott Case – The federal mediator chooses the Tribe's last, best offered Compact over the State's recommended Compact. Negotiations follow, resulting in the “standard form” Compact.

**1994** Sixteen Tribes sign Compacts and ten casinos are in operation by December 31, 1994.

**1995** The Legislature creates the Department of Gaming.

The Salt River Pima-Maricopa Indian Community files a lawsuit in federal court seeking to force Tribal-State Compact negotiations.

**1996** Seminole Court Case – The U.S. Supreme Court declares provisions in IGRA, allowing states to be sued without their consent, are unconstitutional.

A federal court judge dismisses the Salt River Court Case based on the Seminole decision. The Tribe appeals.

Rumsey Court Case – The 9th Circuit Court of Appeals holds that Class III gaming is to be examined game by game and allowed on Indian land only if permitted by a specific state law. Based on the Rumsey decision, Governor Symington refuses to negotiate a standard form Compact with the Salt River Pima-Maricopa Indian Community. The Tribe's initiative measure, requiring the Governor to sign a standard form Compact with any Tribe seeking a Compact with the State, is placed on the General Election ballot.



**1996** Voters approve the measure, but the law is challenged in Superior Court. Ultimately, the Arizona Supreme Court upholds the initiative measure.

Sears Case – The Superior Court rules that the Governor of Arizona lacks the authority to negotiate a Compact with the Salt River Pima-Maricopa Indian Community permitting slot machines and/or keno. The decision is appealed to the Arizona Supreme Court.

**1998** The Arizona Supreme Court overturns the decision in the Sears case on the basis that Sears did not have standing to bring suit. Governor Hull begins Compact negotiations with the Salt River Pima-Maricopa Indian Community and signs a Compact on August 16, 1998.



**2000** The Governor begins negotiating the renewal of the Tribal-State Compacts. Expiration of the current Compacts begin in June 2003, if not renewed.

Arizona Greyhound Case – Arizona horse and dog track owners sue Governor Hull in federal court seeking either an injunction prohibiting the Governor from signing new Compacts or a ruling permitting the tracks to have slot machines.

**2001** The court grants the request for an injunction in the American Greyhound Case and issues a ruling that, among other things, the State Legislature had unconstitutionally delegated its compacting authority to the Governor, and the Tribes were not an indispensable party. However, the ruling provides that the Governor does have the authority to continue to negotiate Compacts with the Tribes but may not enter into new Compacts without proper legislative approval. The State appeals.

**2002** January/February – Governor Hull and 17 Tribes successfully conclude negotiations on an agreement for the new Tribal-State Compact.

April/May – The Governor and the Tribes take their agreement, as a resolution, to the Legislature for approval. The Legislature fails to pass the resolution.

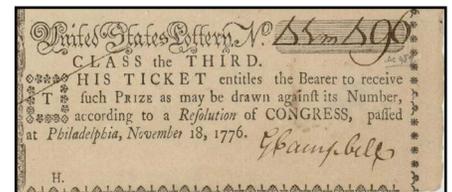
June/July – The 17 Tribes gather enough signatures to put the Tribal-State agreement on the 2002 General Election ballot as Proposition 202. Two additional gaming initiatives also appear on the ballot: Proposition 200, sponsored by the Colorado River Indian Tribes (CRIT); and Proposition 201, sponsored by the racetrack industry.

September – The 9th Circuit Court of Appeals overturns the decision in the American Greyhound Case. The court rules that the Tribes are a necessary and indispensable party, and that the district court abused its discretion in ruling to the contrary. The Court of Appeals vacates the lower court decision and remands it with instructions to dismiss the case. The power to sign Compact is returned to the Governor.

November – Proposition 202 passes. Propositions 200 and 201, the other two gaming initiatives, fail.

December 2002 - January 2003 – Governor Hull signs new Tribal-State Gaming Compact with 16 Tribes.

**2003** Governor Napolitano signs Compact with an additional five Tribes.



Ben Franklin helped organize and run the Philadelphia lottery

## **2004 Appendix F(1) Blackjack – Revised**

The revisions to Appendix F(1) allow for the play of blackjack variation games at Tribal casinos, while keeping blackjack as the central component of any variation game and maintaining the wagering limitations established by the Compact.

## **Appendix G Lotteries and Promotions**

New Appendix G establishes operational standards and regulations for the play of Class III lotteries authorized by the Compact. This Appendix also provides clear definitions for differentiating lotteries from promotions.

## **2005 Appendix C Security & Surveillance – Revised**

Changes to the existing Appendix C require the Tribes to develop and have in place comprehensive Surveillance and Security Plans which meet the obligations of the Tribe under the provisions of the Compact and its appendices. The revisions also eliminate duplication of operational standards between Appendix C and Appendix H.

## **Appendix H Minimum Internal Control Standards – Revised**

Modifications to the existing Appendix H eliminate duplication and inconsistencies between Appendix C and Appendix H, consolidate Minimum Internal Control Standards for Surveillance within Appendix H, update the Appendix H standards for new digital technology, and provide for increased surveillance coverage within the gaming areas.



## **2007 Appendix F(2) Jackpot Poker – Revised**

Changes to existing Appendix F(2) allow play of promotional award poker and house-banked poker games at Tribal casinos, while keeping poker as the central component of any variation game and maintaining the wagering limitations established by the Compact. The revisions also establish regulations for house-banked poker games comparable to regulations for blackjack.

## **2009 Gaming Compact Amendments (effective 3-25-09)**

Amendments to the Tribal-State Gaming Compact provided for the following:

- Further definition of the term “Gaming Facility” under the provisions of the Compact;
- Clarification to the Compact sections addressing Transfer of Gaming Device Operating Rights, Transfer and Acquisition of Pooled Gaming Devices, and related Agreed upon Procedures Reports from Tribes;
- An increase in the maximum wager on a hand of blackjack from \$500 to \$1,000 at up to ten card game tables, and from \$250 to \$500 for all other card game tables;
- An increase for a hand of poker from \$75/\$150 to \$500 at up to ten card game tables, and from \$20/\$40 to \$250 for all other card game tables in a Gaming Facility;
- Periodic increases in wager limitations, which are adjusted on each five-year anniversary of the effective date of the Compact based on the Consumer Price Index adjustment rate, shall be rounded up to the nearest \$5.00 increment rather than a \$1.00 increment;
- A waiver of the licensing requirement for vendors by the TGO, in addition to the State Gaming Agency, if it is determined that licensing the vendor is not necessary to protect the public interest;

- An extended effectiveness period from one year to two years from date of issuance for Tribal licenses for Gaming Employees who are not required to have State certification or recommendation under Section 4(b) of the Compact;
- Issuance, by the State Gaming Agency, of a temporary certification to an Applicant by the close of the next business day following receipt of a complete application, unless the State Gaming Agency has a good-faith basis to believe that the person may not qualify for State certification;
- Clarification that the State Gaming Agency shall have access to investigative files of the TGO during, and upon completion of, any investigation of an unusual occurrence or a violation or suspected violation of the Compact, pursuant to a memorandum of understanding on information;
- Clarification and establishment of a timeline for the State Gaming Agency and the Tribal Gaming Office for issuing, responding to, and resolving disputes regarding the annual, comprehensive, Compact Compliance Review of the Tribe's Gaming Operation, Gaming Facilities, and Gaming Activities conducted by the State Gaming Agency; and
- Clarification regarding the time frame that Tribal contributions pursuant to Section 12(d) of the Compact must be made.

**As set forth by Proposition 202, the Tribal-State Gaming Compact shall automatically renew for a term of ten (10) years, except in the case of substantial non-compliance.**

**Revisions to Appendices F(1) and F(2) and the issuance of new Appendix J occurred concurrently with the 2009 Tribal-State Gaming Compact Amendments.**



**Appendix F(1) Blackjack – Revised**

Clarify that the wager limitation in any blackjack game would be applied to each single wager, based on the approved rules of the game, rather than the total combined amount wagered by a player during a hand.

**Appendix F(2) Jackpot Poker – Revised**

Clarify that the wager limitation in any house-banked poker game would be applied to each single wager, based on the approved rules of the game, rather than the total combined amount wagered by a player during a hand.

**Appendix J Vendor Certification**

Clarifies the waiver of licensing and certification for certain Persons providing Gaming Services and certain Financial Sources.

**Poker Memorandum of Understanding – Revised**

Update changes in the Gaming Compact Amendments relating to the play of Poker and wager limitation increases.

**Urban Tribes State Electronic Access System MOU**

Sets forth the means and manner in which the ADG will have real-time, read-only electronic access to the Gaming Facility's slot monitoring and control system (MCS) through the State Electronic Access System (SEAS).

### **Information-Sharing MOU between the Tribe and ADG**

Meets the requirements of Compact Section 6(g) to enter into a memorandum of understanding for the sharing of investigatory files and to establish efficient procedures for the distribution of such information.

### **Inter-Agency Agreement between the Tribal Police Department and ADG**

Provides for a process in which the Tribal Police Department and ADG may share certain investigative information on individuals and entities involved in Indian gaming or other gaming operations.

### **2012 Gaming Compact Renewal (2012-2013)**

As set forth by Proposition 202, the Tribal-State Gaming Compacts shall automatically renew for a term of ten (10) years, except in the case of substantial non-compliance.

### **2013 Two New Casinos Open in Arizona**

In May, the Navajo Nation opened its first Arizona Casino, Twin Arrows, in Flagstaff. Gila River held the grand opening of its new Vee Quiva casino in Laveen in July.



### **2014 The State and Tribes began negotiations to update Appendix A reflecting new technological advancements in gaming.**

In accordance with Compact requirements, the State began auto-renewing its agreements with gaming Tribes for the next 10 years.

Arizona receives its one billionth dollar in cumulative Tribal Contributions.



