

ARIZONA DEPARTMENT OF GAMING

2012 ANNUAL REPORT



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MISSION

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

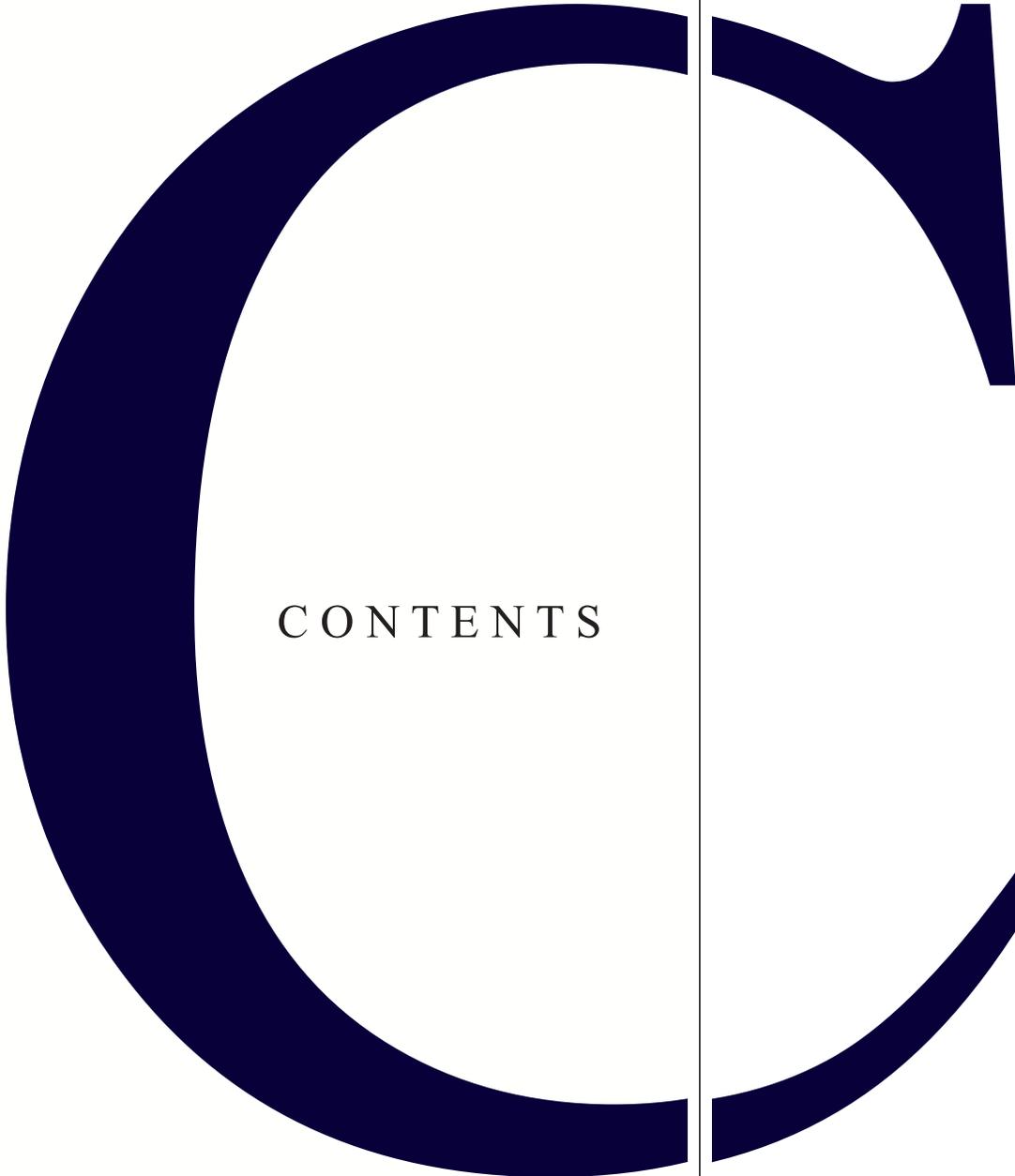
VALUES

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.

A large, dark blue, stylized letter 'C' graphic that frames the central text. The 'C' is composed of two thick, curved segments that meet at the top and bottom, leaving a large white space in the center.

CONTENTS

MESSAGE FROM THE DIRECTOR	PAGE 1
GAMING DEVICE COMPLIANCE	PAGE 2
INVESTIGATIONS & INSPECTIONS	PAGE 3
GAMING VENDOR CERTIFICATION	PAGE 4
EMPLOYEE CERTIFICATION	PAGE 5
GAMES & SYSTEMS COMPLIANCE	PAGE 6
INTELLIGENCE	PAGE 7
AUDIT	PAGE 8
TRIBAL CONTRIBUTIONS	PAGE 8
TRIBES WITH GAMING COMPACTS	PAGE 9
ADMINISTRATION	PAGE 10
EXPENDITURES	PAGE 12
ARIZONA OFFICE OF PROBLEM GAMBLING	PAGE 13
SPECIAL PROJECTS & TRAINING	PAGE 14
COMMUNITY OUTREACH	PAGE 15
HISTORY OF INDIAN GAMING IN ARIZONA	PAGE 16

MESSAGE FROM THE DIRECTOR

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Gambling, or “gaming” as it is often called, is a dynamic industry — in Arizona, across our country and around the world! Technology is advancing at a breathtaking pace and public interest and acceptance continues to grow. Frankly, you cannot turn on a television without seeing some type of gambling being played or promoted. All of these things impact our jurisdiction. The Arizona Department of Gaming must maintain the expertise and resources to protect the public, ensure compliance with our Compacts and regulate the gaming industry.

Technologically speaking, 2012 was a breakthrough year for local regulators. After extensive negotiations, the Department was able to reach agreement with 5 of the 6 urban Tribes to begin implementing a State Electronic Access System (SEAS) to provide more immediate viewing of statistical data from gaming devices. When fully implemented, the system will facilitate a new level of regulatory efficiency by allowing state officials to view the latest information in a more timely and efficient manner. Our machine compliance team also began employing handheld technology in 2012, providing immediate field access to gaming lab specifications and allowing inspection data to be inputted electronically. Our Audit Unit migrated to a more effective and environment friendly database system that allows the tracking of potential compliance issues with more speed and less paper.

While gaming provides opportunities for economic development on tribal lands and funding for important state programs, there are social costs with increased public acceptance of gambling. One cost involves people who develop difficulties in controlling their gambling activities. To address this, the Department oversees the Arizona Office of Problem Gambling (OPG), where assistance is provided in the form of information, counseling and self-exclusion from the casinos. An updated media campaign was launched this year to promote awareness of this important issue and convey that help is available.

An additional social cost involves the increased likelihood of illegal gambling activities. As public interest in gaming grows, Arizona, like other states, has had illicit gambling operations arise in our jurisdiction. The Department strives to advance public understanding of the hazards of illegal and unregulated gambling. When our agents receive complaints of suspected unlawful activity, we work with local law enforcement agencies to investigate and refer cases to the appropriate prosecutorial authorities. In 2012, purveyors of illegal electronic gambling devices, card room operators and organizers of an unlicensed horse track were among our most successful investigations.

The bottom line is that with a dedicated team and enhanced technology, we are doing more than ever before. The Investigations and Inspections agents have increased onsite casino visits to great benefit. I am proud to report that we have also seen a decline in the list of year-end potential compact violations. But this is no time to rest as 2013 is upon us and at least three Arizona Tribes are planning new gaming facilities.

I want to thank all Department employees for their professionalism. Because of them, the Arizona Department of Gaming remains on the regulatory forefront of a rapidly evolving industry.



Mark Brnovich, Director



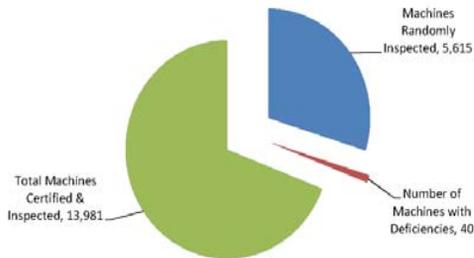
Director Brnovich discusses Tribal gaming during an Arizona Horizon interview.

Gaming Device Compliance

The Gaming Device Compliance Unit inspects machine software, electronic monitoring systems and casino records to ensure correct operation and disbursement of required payout percentages to the patrons. Before reaching the casino floor all gaming software and electronic slot monitoring systems are reviewed by an independent testing lab to confirm their compliance with Arizona's strict regulatory standards. Once the machines are in play, the Unit regularly inspects gaming devices at each of Arizona's Indian gaming Facilities. The Machine Compliance Technicians randomly select and test machines during unannounced visits at 8 to 10 casinos each month and review casino records to ensure continued compliance with the Compacts.

ACCOMPLISHMENTS

- Inspected and certified 13,981 devices, including 5,615 at random
- Discovered 40 gaming devices with a deficiency
- Provided machine compliance training for Tribes
- Collaborated with 15 Tribal Gaming Offices to track and effectively upgrade software
- Reduced paper use, going paperless on 95% of notices to the Unit



The Unit will continue to protect the public by thoroughly inspecting gaming machines and verifying that the software is up to date.

Investigations & Inspections

The Investigations and Inspections (I & I) Unit monitors Compact compliance by conducting onsite inspections of casino operations and investigating suspected compact violations and criminal activity. The Unit is comprised of AZPOST certified Special Agents, experienced in law enforcement. The presence of these agents provides valuable expertise to Tribal authorities in identifying potential problems and correcting deficiencies.

ACCOMPLISHMENTS

- The I & I Unit developed comprehensive check lists and emergency response plans for security and surveillance which will help ensure the safety of the public
- Daily compliance reviews were enhanced to provide better direction and to mirror the work steps used during the annual compact compliance review (CCR) to reduce unexpected year-end compliance issues
- Launched a pilot program to more efficiently track submission of required reports from the Tribal Gaming Offices, helping to establish compliance and identify criminal trends
- Played a key role in production of the Arizona Tribal Gaming Regulators Alliance (ATGRA) New Agents Training Academy to enhance partnerships with the Tribes and instruct new employees on best practice techniques to regulate the gaming industry
- Increased consultations and dialogue with both the Navajo gaming enterprise and its regulatory officials in anticipation of their first Arizona casino at Twin Arrows (scheduled to open in 2013)

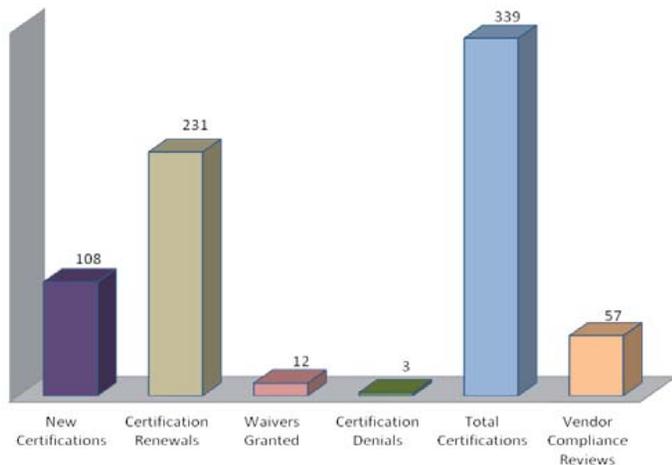
Gaming Vendor Certification

The Gaming Vendor Certification Unit, comprised of special agents, financial investigators, compliance auditors, and intake officers determines the suitability of companies and principals doing business with casinos in Arizona. The Unit 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, its principals and key personnel undergo in-depth background investigations prior to the issuance of State certification.

ACCOMPLISHMENTS

- Issued a total of 399 vendor certifications; 108 new, 231 renewals
- Facilitated waivers and denials of certification as appropriate
- Conducted 57 vendor compliance reviews with Tribal Gaming Offices
- Provided vendor certification training to Tribal officials

The Unit continues to refine vendor certification procedures and has developed on-line applications to facilitate more convenient opportunities for qualified businesses to serve Tribal gaming enterprises, to advance regulatory efficiency and to reduce the use of paper.

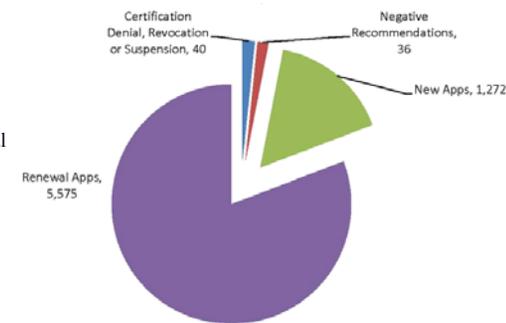


Employee Certification

The Gaming Facility Employee Certification Unit conducts extensive background checks on current and prospective employees to ensure that only suitable individuals are employed. This process includes criminal background checks, fingerprints, credit history reports, financial background screenings, review of work histories, criminal cases and/or civil litigation, education, personal and professional references and tax records.

ACCOMPLISHMENTS

- The Unit collaborated with Tribes on training and is continually upgrading educational materials
- Implemented case management and monthly worksheets for statistical tracking to provide supervisors with additional insight on their product quality and the agent's ability to perform assigned tasks
- Processed 1,272 new and 5,575 renewal applications for Tribal Licensing and State Certification
- Prepared Negative Recommendations/Revocation of Tribal licenses as necessary
- Special Agents trained in enforcing the State gambling laws played a major role in assisting fellow law enforcement agencies to combat illegal, off-reservation gambling

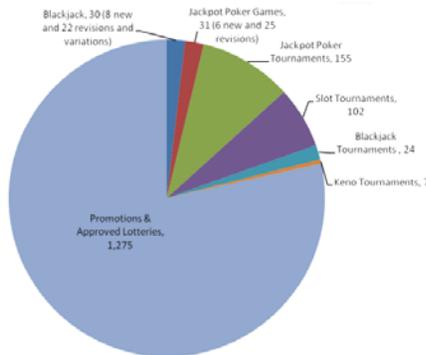


Games & Systems Compliance

ADG reviews all proposed drawings, new games, poker and blackjack variations, promotions, and giveaways within seven days of a request by the casino. The Games and Systems Compliance Unit oversees these casino activities to confirm that they are in line with the Compacts. The Unit pursues continuing education and monitors emerging trends in gaming and regulation.

ACCOMPLISHMENTS

- Held internal training classes for ADG employees
- Participated in Arizona Tribal Gaming Regulators Alliance training for tribal regulators
- Provided training to law enforcement agencies to assist in off-reservation gaming investigations
- Met with leading gaming manufacturers and distributors to review new technology and products
- Attended industry conferences including the National Indian Gaming Association Conference and Trade Show, the Gaming Laboratories International Regulators Roundtable and the Global Gaming Expo



In Fiscal Year 2012, the Unit received 1,624 submissions from the Tribal Gaming Offices and approved 1,275 promotions and lotteries; 8 new and 22 revisions and variations to Blackjack; 6 new and 25 revisions to Jackpot Poker games; 155 Jackpot Poker tournaments; 102 slot tournaments; 24 Blackjack tournaments; and 7 Keno tournaments.

The Unit works closely with Tribal Gaming Officials to ensure the casinos are conducting lotteries, promotions and tournaments fairly and that new table games are operated within the rules of the Compact and its appendices. The Unit stays abreast of the latest technology and innovations in the gaming industry to maintain a relevant and effective regulatory structure.

Intelligence

The Intelligence Unit gathers and disseminates information involving threats to gaming operations, patrons and the public. Various responsibilities include distribution of criminal data and tracking of suspicious activities, counterfeit currency, cheating crimes, forged instruments and W-2G Jackpots. The Unit also provides training for casino employees and Tribal law enforcement while serving as a liaison between Tribes and other law enforcement agencies.



ACCOMPLISHMENTS

- Investigated a criminally operating poker room in Northwest Phoenix resulting in the service of search warrants in Phoenix, Goodyear and Carlsbad, CA that seized assets and led to successful prosecution
- Investigated a criminally operating horse race track in Pinal County, resulting in the service of a search warrant that seized the assets and led to prosecution
- Investigated an organized crime team from California that was illegally operating gambling devices at store locations within the Phoenix metropolitan area. There were 46 search warrants served resulting in the seizure of 60 devices and assets, and identification of the suspects for prosecution
- Investigated a criminally operating Internet café in the City of Glendale, resulting in the service of search warrants that seized over \$940,000 in assets, 50 devices and evidence for prosecution
- Documented an average of 211 criminal incidents and 56 suspicious currency reports a month, along with 8,707 persons banned from the casinos for misconduct, to date



The Unit continues to improve relations with Tribal authorities, providing investigative support and intelligence on suspected criminals in their jurisdictions. The continued tracking of criminal incidents serves to protect the public and identify undesirable elements that could victimize a Tribal enterprise.



Audit

ADG conducts annual on-site audits of all casinos to review compliance with the Arizona Tribal – State Gaming Compacts and its appendices. A Compact Compliance Review (CCR) team checks hundreds of items ranging from cash handling and video surveillance, to casino procedures and protocols. ADG audits casino books and records, electronic accounting and monitoring systems and minimum internal control standards.

ACCOMPLISHMENTS

- Completed annual CCR for all 22 Class III Casinos in the State
- Verified gaming revenues and payment of over \$97 million of tribal contributions to the State
- Increased auditor visibility by providing training and education resources to the Tribes
- Began a new phase of audit reform to improve audit effectiveness and efficiency
- Provided training and education resources to the Tribes through various ATGRA events

Our accomplishments enhance ADG’s ability to promptly identify potential compliance issues so that they may be resolved in the most-timely manner.

Tribal Contributions

With the passage of Proposition 202 in November 2002, and the subsequent new Tribal-State Gaming Compacts, participating Tribes in Arizona make quarterly contributions to the state. In FY 2012, the gaming Tribes filed all monthly and quarterly Class III Net Win reports and quarterly Tribal Contribution payments.

Contributions are based on an individual Tribe’s Class III Net Win. Administered by ADG, 88% of a Tribe’s total annual contribution is paid to the Arizona Benefits Fund and aggregate tribal contributions for FY 2012 totaled \$84,936,893. The remaining 12% of gaming contributions are distributed by the Tribes directly to cities, towns and counties. In FY 2012, these 12% contributions totaled \$12,406,893.

Tribes with Gaming Compacts

TRIBES WITH COMPACTS 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
- 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, Desert Diamond I &
Desert Diamond II
- 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



TRIBES WITH COMPACTS WITHOUT CASINOS

- Havasupai Indian Tribe
- Hualapai Indian Tribe
- Kaibab Band of Paiute Indians
- Navajo Nation (Casino Projected for 2013)
- San Juan Southern Paiute Indian Tribe
- Zuni Tribe

Administration

HUMAN RESOURCES

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

This year, Human Resources conducted the required employee recruitments, reviewed 448 resumes and applications, coordinated 75 interviews and conducted 12 new employee orientations. The Unit also organized and hosted 10 Employee Wellness Events and 3 sponsored employee training events.

INFORMATION TECHNOLOGY

The Information Technology (“I.T.”) Unit 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

- Began implementation of the State Electronic Access System (SEAS) that will provide the Department with real-time read-only access to casino financial and gaming device event information. The new system will improve efficiency in our audit, device compliance and investigations and inspections Units
- Provided technical expertise that was instrumental in the final SEAS negotiations
- Migrated the Department to Microsoft Active Directory and Exchange 2010 unified messaging that provides enhanced mobile email and document access for improved efficiency in the field
- Provided technical support to the Intelligence Unit in the evidence collection effort that will be important in connection with prosecutions in multiple criminal investigations
- Under an ISA with the Department of Racing, IT implemented Department-wide software system supporting all aspects of operations for the Department of Racing. The new software system will enhance accountability and efficiency in many areas from accounting for race track pari-mutuel monies to digitally processing license applications

The I.T. Unit will continue to increase the accuracy of Tribal contribution tracking and the effectiveness of CCR’s by improving communication and enhancing coordination

Administration

PROCUREMENT AND GENERAL SERVICES

Although we do not receive any general funds, we continue our commitment to being good stewards of public resources. The Procurement and General Services Unit is responsible for providing ADG with procurement, facility management, administrative support, fleet management, graphic design, communications, loss prevention and project management. The mission of the Unit is to support the agency with quality administrative and technical services that promote operational efficacy and efficiency.

ACCOMPLISHMENTS

- Implemented the State’s eProcurement system for improved performance and management
- Enhanced work space efficiency through design and restructuring
- Implemented a new asset management system with barcoding technology to improve accuracy and efficiency in recordkeeping
- Collaborated with the Office of Problem Gambling to design and publish materials for stakeholders

ACCOUNTING/FINANCE

The Financial Services Unit’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 ADG’s compliance with good accounting practices and the state’s guidelines. In addition, the Unit facilitates all necessary travel.

Expenditures

Department of Gaming Expenditures

Fiscal Year 2012 Expenditures	Enforcement/ Problem Gambling	Certification
Personal Services	4,550,200	1,387,400
Employee Related Expenditures	1,892,400	552,500
Professional & Outside Services	1,859,600	22,200
In-State Travel	248,400	11,800
Out-of-State Travel	55,400	32,600
Other Operating Expenses	850,500	26,800
Equipment	347,700	0
¹ Transfers	4,700	0
Total Expenditures	9,808,900	2,033,300

¹To the Office of Administrative Hearings

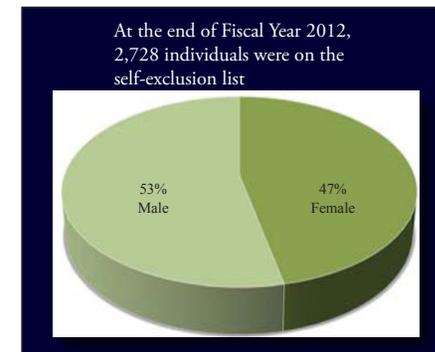
Arizona Office of Problem Gambling

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 and promote prevention 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. OPG also administers the Patron Self-Exclusion Process, maintaining and disseminating a self-exclusion list of over 2,500 compulsive gamblers who have agreed to not enter and Arizona casino for 1, 5, or 10 years. In FY 2012, more than 475 people voluntarily banned themselves from Arizona casinos.

ACCOMPLISHMENTS

- Conducted comprehensive fiscal and clinical audits of all 26 out-patient counseling service providers
- Conducted two advanced trainings titled "Ethics in Treating Gambling Clients and their Families" by AZ Clinician Dr. Jackie St. Germaine; a seminar on gambling's impact on health was taught by Dr. Timothy Fong from UCLA, and shared information on gambling treatment research.
- Provided treatment for 840 people through contracted behavioral health counselors
- Facilitated the self-exclusion of 479 new individuals
- Distributed nearly 20,000 problem gambling awareness materials at events

The Office of Problem Gambling's efforts ensure that those members of the public who have a gambling problem are aware that help is available. Our accomplishments not only assist the problem gambler, but those affected by another's gambling problem. The self-exclusion program promotes the integrity of Tribal gaming by ensuring that casinos do not fuel or exploit the compulsions suffered by a small, but significant, percentage of our population.



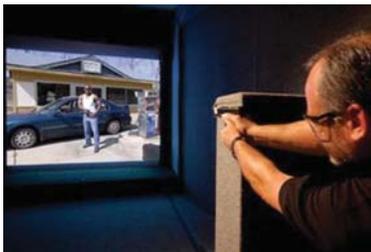
Special Projects & Training

In 2012, an interactive Use of Force and Firearms Training Simulation system was purchased for ADG officers. This comprehensive system uses scenario-based training and projects life-size video images onto a large screen. It comes equipped with a live fire laser gun that allows officers to shoot closely simulated live fire rounds when necessary. The training system has over 500 video scenarios and skill building exercises. It allows officers to customize their training based on individual needs, including the utilization of all other use of force options.



The system allows 1 to 18 participants at a time and has the ability to simulate weapon malfunctions, clearances and reloads to mimic real life situations that may arise while on duty. The device features interactive debriefing tools, frame by frame and slow motion playback that allows officers to review their training. Electronic maintenance and printable reports that document the training scenarios are available. This training supports the fulfillment of the continuing education hours required for officers to maintain their AZ Post Certification.

Since the device is portable, ADG conducted several training programs for officers from the Arizona Department of Public Safety, Attorney General's office and other sister agencies throughout the state. Tribal law enforcement agencies are also required to maintain their law enforcement certification and since many of the Tribes are in remote areas, or don't have the means to conduct the simulator shooting course on their own, ADG offers them this tool. It is important for ADG to continue developing the relationships and cooperating with other State and Tribal law enforcement agencies throughout Arizona.



Agency Outreach

ADG officials are often asked to participate in seminars, continuing education programs and panel discussions to share their knowledge and expertise. ADG helps to ensure the integrity of gaming by offering an array of training opportunities to Tribal Law Enforcement Agencies and Tribal Gaming Offices. ADG also assists other state and local law enforcement agencies that are facing illegal gambling in their jurisdiction, with best practices for investigating and prosecuting this type of criminal activity.

In 2012, a presentation was given at the National Indian Gaming Commission's "Indian Gaming Working Group Conference" by Mark Brnovich. Director Brnovich also served on a national panel representing state regulators at the Gaming Laboratories International North America Conference Roundtable. Sitting alongside State Senator Jack Jackson Jr. at an event hosted by the Gila River Indian Community, Brnovich provided insight on the unique relationship that the State and Tribes share in Arizona's dual-regulatory structure, which is often cited as a regulatory model for other jurisdictions.



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 2012, 50 ADG employees donated gifts or money, and an enthusiastic team provided the Wilson School Party for the Kindergarten Class. Employees donated 23 "Santa" gifts for the students and raised monetary donations, which provided food for the party, supplies for the classroom and gifts for the teacher and her aide.



SECC

The State Employees Charitable Campaign is conducted under Executive Order in partnership with the state fiscal agent, a 501(c)(3) charitable organization. More than 45,000 state employees donate funds to help support 700 charities. In the past 19 years, state employees have raised more than \$21 million to support charities in Arizona and across the nation, as well as throughout the world. ADG has participated in the campaign since 1997 and our outstanding long-term commitment to the campaign is reflected in the numerous awards won for such things as dollars raised, participation, Supergivers and Leadershipgivers. Since 2002, ADG employees have given \$96,000.

HISTORY OF GAMING

History of Gaming in Arizona

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.

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 Tribal-State Gaming Compacts 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 Compacts 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 Compacts 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 Compacts 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 Compacts 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 15 Tribes operating 22 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” Compacts.
- 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. 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 new Tribal-State Compacts.
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 Compacts 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 Compacts with 16 Tribes.
- 2003** Governor Napolitano signs Compacts with an additional five Tribes.
- 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 the 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 Tribal Gaming Office, 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.

Notes

