

**Arizona
Department of Gaming**

ANNUAL REPORT 2009



DIRECTOR'S MESSAGE



INTERESTING & EXCITING TIMES FOR GAMING

"May you live in interesting times." While there is some debate regarding the origin of that phrase, it can no doubt be applied when describing the evolution of gaming in Arizona over the last decade. I remember when we were drafting the current gaming Compacts that were eventually enacted via the initiative process in 2002. Signed in 2003, these Compacts authorized tribal gaming for 10 years, with an automatic 10-year renewal for tribes demonstrating substantial compliance. It was a very exciting time, indeed.

Since enactment of the Compacts, we've witnessed local tribes successfully using casino revenues to build governmental infrastructure and launch programs to enhance the quality of life for their tribal communities. However, the benefits do not stop there. Since the current Compacts were enacted, the State of Arizona has also enjoyed more than \$500,000,000 in tribal contributions to support programs such as educational improvement, trauma and emergency services, wildlife conservation, addressing problem gambling, and promotion of tourism.

Opportunities come with challenges, though, and the gaming industry is certainly not immune to outside influences. In 2009, adverse economic conditions have had an impact on gaming revenues. With less disposable income for entertainment, people are spending less money at the casinos. As a result, gaming revenue has been declining for the past several quarters.

Although revenue has decreased, Indian gaming continues to provide significant funding for valuable programs to the tribal communities and the people of Arizona. Tribal governments also continue to

make significant investments in gaming operations. During the past year, we've seen the opening of the new Gila River Lone Butte Casino outside of Phoenix. Gila River's Wild Horse Pass Hotel and Casino has an October 2009 scheduled opening and the Salt River Pima-Maricopa Indian Community continues construction of what will become Arizona's largest casino hotel early next year.

Another challenge has come in the way of illegal card rooms arising off tribal lands.

As gaming gains popularity in our culture, it is essential to maintain a robust regulatory structure to ensure the integrity of the operations and the safety of the public. The law enforcement unit within our agency has 36 sworn peace officers who are actively assisting other law enforcement and prosecutorial agencies across the State to enforce gambling statutes and combat the negative effects of illegal gaming operations.

As the progress continues, the Arizona Department of Gaming concurrently rises to the challenges. Our team of 106 employees is made up of some of the most knowledgeable and dedicated gaming officials in the country, people I am truly honored to lead. Working with our tribal partners, we continue to monitor and regulate gaming in Arizona with a system that has emerged as a model for other states contemplating the launch of their own gaming operations. This Annual Report provides some interesting highlights of 2009, and we will keep you abreast of the exciting times ahead.

A handwritten signature in blue ink that reads "Mark Brnovich". The signature is fluid and cursive.

Mark Brnovich
Director

INVESTIGATION & INSPECTION UNIT

These accomplishments assist the agents with their responsibilities, while measuring progress and determining a baseline for improvement. Moreover, achievements ensure the Department can regulate the gaming industry, maintain integrity of Tribal gaming, and protect the public.



The Tribal Investigations and Inspections Unit monitors Compact compliance by conducting on-site inspections of casino operations and investigating suspected Compact violations and criminal activity. The presence of the Unit’s Special Agents in casinos offers the opportunity to detect potential problems and to work with Tribal Gaming Offices and casino officials to correct deficiencies. The Unit is comprised of Special Agents, all of whom have previous experience working as law enforcement officers and have full-authority AZPOST certification. During FY 2009, the Unit conducted Pre-Opening reviews for two casinos and effectively oversaw the implementation of Compact Amendments for 11 facilities. Also, Agents traveled over 300,000 miles in order to conduct on-site compliance inspections and exceeded the Unit’s annual performance measurement of 1,400 visits to casinos by conducting 2,281 casino inspections.

FY 2009 Highlights:

- Completed the revision, implementation, and reporting procedures of the Tribal Site Visit (TSV) Checklist as well as the Pre-Opening Checklist. The amendments of checklists will continue to provide standardized guidelines for casino inspections and assist the agents with monitoring for compliance.
- Enhanced monitoring of law enforcement services to the facilities through added emphasis and examination of Section 13(E) of the Compact, promoting conformity with the plan for law enforcement services.
- Completed a qualitative and quantitative analysis of the Unit’s mission.

GAMING DEVICE COMPLIANCE UNIT

The Department randomly inspects gaming devices at each of Arizona's Indian gaming facilities on a regular basis. The Gaming Device Compliance Unit conducts on-site inspections and casino record reviews to ensure the software design in casino slot machines is identical to the software design that was tested and certified by an independent testing lab. Machine Compliance Technicians test up to 50 randomly selected machines on unannounced spot checks at 10 to 12 casinos each month. They inspect the machine software, electronic monitoring systems, and casino records to ensure correct operation and disbursement of required payout percentage. An independent testing lab tests all gaming software and electronic slot monitoring systems before the machines are shipped to Arizona. The independent lab ensures the games are uncorrupted and meet Arizona's strict gaming standards.

The Gaming Device Compliance Unit ensures that all gaming devices in use at the Tribal casinos meet or exceed the technical standards of the Compact and its Appendices.

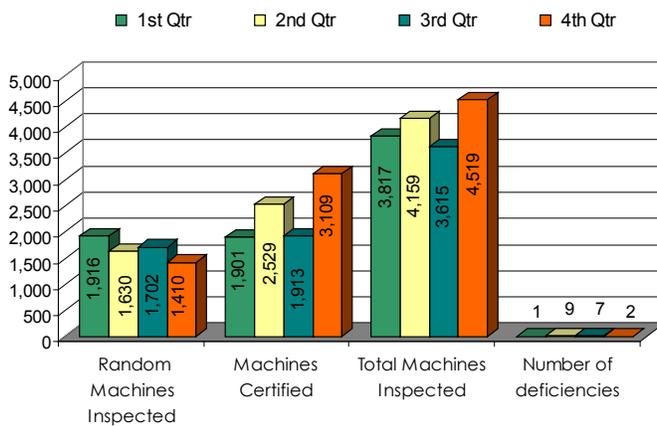
Summary of Accomplishments:

- Certified 9,197 gaming devices
- Inspected 6,608 gaming devices
- Found Appendix A issues with 22 devices

FY 2009 Highlights:

- Assisted with the prompt opening of the new Lone Butte Casino
- Certified 8 incentive systems
- Certified the first Konami Monitoring and Control System to be installed in Arizona which communicates with the gaming devices and accumulates relevant data.

FY 2009 Machine Inspection Statistics



GAMING VENDOR CERTIFICATION UNIT

The Gaming Vendor Certification Unit determines the suitability of companies and individuals doing business with casinos in Arizona. The Unit is comprised of Special Agents, financial investigators, a compliance auditor, and intake officers. Each company, principals of a gaming company, and key personnel providing gaming products or services must undergo a thorough background investigation. The Unit certifies all vendors providing financing to Tribes for gaming facilities, all management contractors engaged by a Tribe to assist in the management or operation of a gaming facility, all manufacturers and distributors of gaming devices, and all companies providing services to casinos in excess of \$10,000 in any one month. In FY 2009, the Unit practiced intra-agency cooperation by collaborating with the Gaming Device Compliance, Gaming Facility Employee Certification, and Investigation and Inspections Units on investigations into potential Compact violations by certified vendors. The Unit also assisted the Gaming Facility Employee Certification Unit with renewal applications, employee certifications, and records.



FY 2009 Highlights:

- Hosted a review of several vendor files, in which investigators from the Alcohol and Gaming Commission of Ontario and the California Bureau of Gambling Control traveled to Phoenix to learn about the Unit's investigative procedures.
- Traveled to Wisconsin's Department of Gaming to review documents and discuss issues surrounding the suitability of a company seeking certification.
- Collaborated with Tribes to create and distribute guidelines to TGOs that address resolution of Compact violations that were the result of using uncertified or unlicensed vendors by Gaming Facility Operators.
- Assisted vendors by accepting the Multi-Jurisdictional Personal History Disclosure Form ("MJF") in lieu of the Department's application.
- Improved internal processes by reviewing and updating forms, guidelines, and policies, the training manual, and training and resource requirements.

By taking appropriate action against vendors that violate the Compact, the Gaming Vendor Certification Unit may deter future violations and improve compliance from all vendors. Ultimately, these actions protect the public and Tribes while ensuring the integrity of gaming.

GAMING FACILITY EMPLOYEE CERTIFICATION UNIT

The Gaming Facility Employee Certification Unit conducts background checks on employees and prospective employees to ensure that only suitable individuals are hired into the gaming industry. The certification process includes criminal background checks, fingerprints, credit history reports, financial background screenings, work history, review of criminal cases or civil litigation, education, personal and professional references, and tax records. During FY 2009, the Unit provided both in-house and Tribal training. The Unit conducted two successful gambling investigations, executing search warrants at residences and a business resulting in the seizure of gambling devices, U.S. currency, and additional illegal gambling evidence.

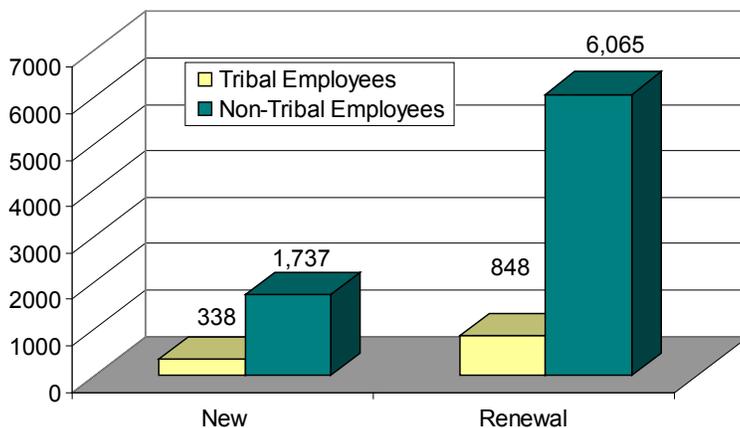


FY 2009 Highlights:

- July 2008: Initiated and conducted investigations into potentially illegal off-reservation gambling in Tucson and Scottsdale, AZ.
- February 2009: ACJIS audit by DPS Access Integrity Unit. Unit found to be in compliance.
- April 2009: Agents from the IRS conducted Postal Money Order training.
- June 2009: Fingerprint training, presented by the FBI, was hosted by the Department.

The presentation of various training sessions to the Tribes will continue to promote consistent background investigations and report writing, while strengthening the Department's partnership with Tribal regulators throughout Arizona.

This unit, having formed a liaison with local law enforcement agencies, will continue to provide expertise and assistance in the area of illegal gambling.



Gaming Facility Employee Applications Processed

GAMES & SYSTEMS COMPLIANCE UNIT

Casinos must seek prior approval before they can conduct tournaments, drawings, new games, poker and blackjack variations, promotions, and cash or prize giveaways. Within seven days of a request, the Games and Systems Compliance Unit reviews these various casino activities to ensure their compliance with the Compacts. The Unit pursues training and educational experiences to remain knowledgeable about emerging trends in gaming and regulation.

Summary of Accomplishments:

During FY 2009, the Games and Systems Compliance Unit approved:

- 854 Promotions and Lotteries
- 3 new and 16 revisions of Blackjack variation games
- 8 new and 9 revisions to Jackpot Poker games
- 218 Jackpot Poker Tournaments
- 59 Slot Tournaments
- 27 Blackjack Tournaments
- 9 Keno Tournaments

The Games and System Compliance Unit works closely with the Tribal Gaming Offices (TGOs) to ensure the Gaming Facility Operators conduct lotteries, promotions, and tournaments fairly. This Unit partners with the TGOs to ensure that table and card games are operating under the rules of the Compact and its Appendices.

FY 2009 Highlights:

- Finalized revisions to Appendix A, updating technical standards and adopting new principles for electronic bonus and promotional systems.
- Provided in-house training to Department employees and Tribal Gaming Officers on Compact Amendments and Appendices.
- Provided training as part of the Arizona Tribal Gaming Regulators Alliance Academy.

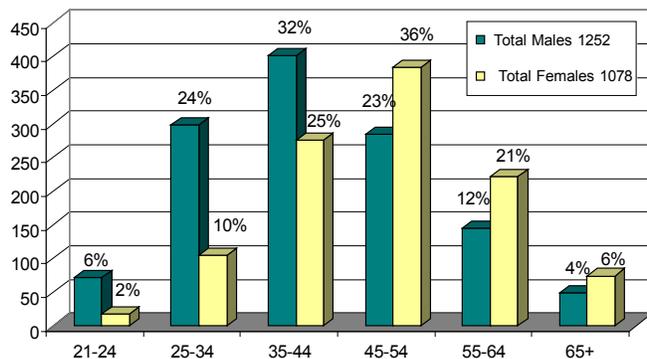
Tribal Gaming Status as of June 30, 2009

Tribes in Arizona	22
Tribes with Current Compacts	21
Tribes with Casinos	15
Number of Casino Sites	23
Number of Slot Machines	14,668
Number of Poker Tables	210
Number of Blackjack Tables	267
Number of Casinos with Live Keno	6
Number of Casinos with Off-track Pari-mutuel Betting	0

Note: For the tribal gaming status listing figures for individual tribes, please refer to the Department Web site: www.azgaming.gov

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 serves as a liaison between Tribes and other law enforcement agencies and administers the Patron Self-Exclusion Process.

Self-exclusion: Percentage of Participants in Each Age Group by Gender



The Intelligence Unit will continue to assist Law Enforcement Agencies through the timely distribution of informational bulletins and participation in training activities. As a result of a larger database, the Unit has acquired a better knowledge of incident totals and trends throughout the state and will maintain the management of this incident data submitted by the Tribes. The Unit will continue to serve Arizona gaming patrons by participating in each Tribe's annual Compact Compliance Review and the management of the Self-Exclusion Program.

FY 2009 Highlights:

- Developed the format of incident report submissions from Tribal Gaming Officers, increasing annual submission volume 130% from 2,966 in FY 2007-08 to 6,840 in FY 2008-09.
- Continued management of the Criminal Incident, Self-Excluded, Counterfeit Currency, Casino Cheaters, and Fraudulent Check databases, which are used to assist outside agencies, such as TGOs, Law Enforcement Agencies, and the U.S. Secret Service.
- Expanded bulletin distribution to include Law Enforcement agencies, Regulatory Agencies, and Prosecutors Offices, both within and outside Arizona. Today, individuals representing 15 State, Local, Tribal, and Federal agencies receive copies of the Unit's operational bulletins.
- Continued to monitor the ever-growing number of Self-Excluded Casino Patrons through the Department's Self-Exclusion Program with the number of participants increasing more than 10% to 2,279 in FY 2008-09.
- Participated in and presented programs on self-exclusion at the Annual National Problem Gambling Awareness Week Conference and the New Agent Training Academies in Yuma and Payson.

AUDIT UNIT

The Department conducts annual on-site audits of each casino to review compliance with the Compact and its appendices. A Compact Compliance Review team, typically including 10 to 12 Department employees, checks hundreds of items ranging from cash handling procedures to video surveillance to casino giveaways of free meals.

The Department audits casino books and records, electronic accounting and monitoring systems, and also casino minimum internal control standards and procedures. In the past year, the Audit Unit worked closely with the Tribes and changed follow-up approaches to significantly reduce the number of Compact violations. Also, a new Audit Software System was enabled to achieve more streamlined audits.



FY 2009 Highlights:

- Reduced the number of unresolved Compact violations by about 25% from December 2008 through June 2009.
- Implemented new testing procedure to regulate a gaming facility's use of new bonus and incentive systems.
- Created an improved set of auditing steps and procedures.

The Audit Unit is dedicated to ensuring compliance with the Arizona Tribal-State Gaming Compacts. Enhanced audit procedures and upgraded computer software will further promote accuracy and efficiency.

TRIBAL CONTRIBUTIONS

With the passage of Proposition 202 in November 2002, and the subsequent new Tribal-State gaming compacts, the gaming Tribes in Arizona make contributions to the State on a quarterly basis. Contributions are based on an individual Tribe's Class III Net Win. Administered by the Department, 88% of a Tribe's total annual contribution is paid to the Arizona Benefits Fund.

Aggregate quarterly and annual Tribal contributions to the Arizona Benefits Fund totaled \$86,496,770 for FY 2009. Also, gaming Tribes filed promptly all monthly and quarterly Class III Net Win Reports and quarterly Tribal Contribution Payments. During FY 2009, the gaming Tribes' 12% distributions to cities, towns, and counties totaled \$11,037,954.

FY 2009 Distribution of Tribal Contributions

DISTRIBUTION	AMOUNT
Department of Gaming for administrative and regulatory expenses	\$ 8,000,000
Department of Gaming for treatment, education, and prevention of problem gambling	\$ 1,729,935
Instructional Improvement Fund	\$ 42,989,427
Trauma and Emergency Services Fund	\$ 21,494,714
Tourism Fund	\$ 6,141,347
Arizona Wildlife Conservation Fund	\$ 6,141,347
Total Contributions to Arizona Benefits Fund	\$ 86,496,770
Total Contributions to cities, towns, and counties	\$ 11,037,954
Total FY 09 Tribal Contributions	\$ 97,534,724

TRIBES WITH GAMING COMPACTS

● Tribes with Compacts with Casinos

- Ak-Chin Indian Community – Maricopa
Harrah's Ak-Chin Casino
- Cocopah Indian Tribe – Somerton
Cocopah Casino
- Colorado River Indian Tribes – Parker
Blue Water Casino
- Fort McDowell Yavapai Nation – Fountain Hills
Fort McDowell Gaming Center
- Fort Mojave Indian Tribe – Highway 95
Spirit Mountain Casino & Crossing Casino
- Gila River Indian Community – Sacaton
Wild Horse Pass, Vee Quiva, & Lone Butte Casinos
- Pascua Yaqui Tribe of Arizona – Tucson
Casino of the Sun & Casino del Sol
- Quechan Indian Tribe – Yuma
Paradise Casino
- Salt River Pima-Maricopa Indian Community – Scottsdale
Casino Arizona/Salt River & Casino Arizona/Indian Bend
- San Carlos Apache Tribe – San Carlos
Apache Gold Casino
- Tohono O'odham Nation – Sells
Golden Ha:san & Desert Diamond Casinos I & II
- Tonto Apache Tribe – Payson
Mazatzal Casino
- White Mountain Apache Tribe – Whiteriver
Hon Dah Casino
- Yavapai-Apache Nation – Camp Verde
Cliff Castle Casino
- Yavapai-Prescott Indian Tribe – Prescott
Yavapai Gaming Center & Bucky's Casino

★ Tribes with Compacts without Casinos

- Havasupai Indian Tribe – Supai (Grand Canyon)
- Hualapa Indian Tribe – Peach Springs
- Kaibab Band of Paiute Indians – Fredonia
- Navajo Nation – Window Rock
- San Juan Southern Paiute Tribe
- Zuni Tribe – Highway 180



INFORMATION TECHNOLOGY UNIT

The Information Technology (I.T.) Unit provides and performs all of the Department's information technology requirements, including computer and technology functions, as well as maintaining the certification database system. The computer systems and programs have enabled the Department to effectively and efficiently perform its responsibilities under the Compact by streamlining work and tracking performance. In FY 2009, the I.T. Unit continued to provide comprehensive mission support through technology for all units, achieved the goal of 99% uptime for all major systems, and fielded three new systems that enhance the Department's ability to regulate and ensure the integrity of gaming in Arizona.

The Information Technology Unit will continue to increase the efficiency and accuracy of Tribal contribution and Compact compliance reviews while improving communication and enhancing coordination.

FY 2009 Highlights:

- Deployed an audit software system that supports Compact compliance and Tribal contribution reviews.
- Designed, tested, and deployed the Data Management System which supports treatment and electronic connectivity to providers for the Office of Problem Gambling.
- Fielded the Blackberry Enterprise Server and smart phones that provide enhanced mobile communications.



FINANCIAL SERVICES UNIT

The Financial Services Unit is responsible for the Department's budget, payment of all bills, collection of revenue through tribal contributions made to the state, billing and collection of all fees associated with the certification of individuals and vendors wishing to work with or within the various casinos, procurement of supplies and equipment, inventory, and maintenance of the facility that houses the employees of the Department.

During the spring of 2009, the Department was able to negotiate a new-five year lease for its Phoenix office on Earll Drive. The new lease included renovation of the facilities. The Unit continues its efforts to contract with small and woman and/or minority-owned businesses. To ensure accuracy when reporting to the Department of Administration, the Unit maintains the process of verifying these businesses in the statewide vendor system.

The Financial Services Unit provides timely and efficient customer service to the Department, allowing each division to better serve the public and ensure the integrity of gaming.

FY 2009 Highlights:

- Working with the I.T. Unit, the Financial Services staff was able to use the electronic timecard system, Visual Vault. This system enables the processing of timecards, leave slips, and overtime authorizations. The Department is now completely paperless (in relation to paychecks), a goal of the Department of Administration for all agencies.
- The new lease included tenant improvements, such as painting and carpet replacement. Completed in five phases, these revisions allowed for as much normal daily activity as possible. The new lease also allowed the Department to regain lost parking spaces on the Earll Drive property rather than leasing space at an adjacent building. During the process of tenant improvements, staff was able to eliminate records with dates outside the Department's Records Retention Plan, freeing space for current and future documents.

REVENUE & EXPENDITURES

Department of Gaming FY 2009 Revenue and Expenditures

Fiscal Year 2009 Revenue	Enforcement/ Problem Gambling	Certification
Total Revenue	¹ 10,029,288.75	1,753,438.22
Fiscal Year 2009 Expenditures		
Personal Services	4,692,268.41	1,272,126.08
Employee Related Services	1,715,941.19	417,878.51
Professional & Outside Services	1,993,808.02	109,887.93
In-State Travel	305,805.71	4,485.27
Out-of-State Travel	51,511.07	30,237.28
Other Operating Expenses	1,057,273.07	55,820.26
Equipment	133,946.72	0.00
² Transfers	5,292.94	0.00
Total Expenditures	9,952,500.88	1,891,155.26

¹ Includes \$300,000 from the Lottery Fund

² To the Office of Administrative Hearings

HUMAN RESOURCES UNIT

The Human Resources Unit performs a variety of activities, including hiring of employees; recruiting and training of new employees; managing performance, employee records, benefits information, and personnel policies; and ensuring that personnel and management practices conform to regulations.

Summary of Accomplishments:

- Held 5 recruitments for mission-critical positions
- Processed numerous resumes
- Conducted 29 interviews
- Hired 5 employees
- Promoted 2 employees and transferred 1 employee
- Hosted 6 health-related programs



These accomplishments facilitate the Department's managers and supervisors in training new techniques to help them better serve the Department and their employees, encourage good health by educating them on health issues, and enable the Department in recruiting and hiring.

FY 2009 Highlights:

- Organized a two-day, offsite, Managers' Retreat.
- Conducted five recruitments for eight mission-critical positions.
- Carried-out a five-day Supervisor Training.
- Hosted a flu shot clinic, two blood drives, MOM (Mobile Onsite Mammography), and two health screenings.

SPECIAL PROJECTS

The Special Projects Unit ensures that the Department's Special Agents remain up to date on investigative techniques, officer safety, and current police procedures. In FY 2009, the Unit researched numerous programs and expedited AZPOST-approved training for 36 Officers. The Unit also facilitated continuing education, conducted mandatory Firearm and Judgment Shooting Programs, and performed the AZPOST Background Process for new officers hired by the Department.

Continued proper training assists the Officers in sustaining expert standards and maintaining the Department's status as a leading Law Enforcement Agency.

FY 2009 Highlights:

- Collected and distributed 366 Intelligence and Officer Safety Bulletins.
- Successfully completed an audit by AZPOST which determined compliance with training standards.
- Using the established AZPOST Training Matrix, Managers, Supervisors, and Deputy Directors can oversee the status of training on the spreadsheet.





The mission of the Office of Problem Gambling (OPG) is to provide and support problem gambling prevention, treatment, and education programs throughout Arizona. The Office reaches out to the public to increase awareness and to promote prevention of problem gambling. It coordinates the training of licensed counselors throughout the State who work under contract to treat those affected by problem gambling. During FY 2009, the Office expanded awareness that compulsive gambling exists and is treatable, and continued to ensure high quality treatment. Also, attention was focused on the needs of Arizona's youth by creating a brochure and a screening tool that focus on their needs.

FY 2009 Highlights:

Treatment:

- Contracted with treatment counselors who provided services to 1,130 clients, an increase of 11.3% over FY 2008.
- Added new providers in Casa Grande, Surprise, and Yuma.
- Provided 24/7 helpline services through 1.800.NEXT.STEP. Nearly 600 people contacted the helpline, which offers crisis counseling, treatment referral, and information about problem gambling and Gamblers Anonymous meetings.
- Provided 78 hours of basic and advanced training in the treatment of problem gambling.

Youth Focus:

- Created a Youth Brochure, which lists both risks associated with youth gambling and signs that indicate someone may have a problem.
- Partnered with the Department of Health Services to create a screening tool for educators to help youth who may be engaging in substance abuse, alcohol consumption, and/or gambling.

Information Collection:

- Produced significant enhancements to the treatment data collection and billing process by implementing a Data Management System.
- Progressed to an electronic-based system to reduce the need for paper-based billing and cumbersome data retention.

Awareness:

- Hosted a symposium on problem gambling issues during Arizona Problem Gambling Awareness Week.
- Received evaluations that reported 100% of attendees being satisfied or very satisfied with the overall quality of the symposium.

Supplying Behavioral Health Providers with high quality training and providing Arizonans with a 24/7 helpline ensure that both OPG and the Department serve the public by addressing the social consequences of gambling.

DEPARTMENT EMPLOYEES GIVE BACK TO COMMUNITY

Every year, the Department employees take part in voluntary community fundraisers. Joining with various local businesses, the Department employees have helped an abundance of children throughout local schools. Pledging to support the leaders of tomorrow and giving back to our community has always been a priority of the Department.

State Employees Charitable Campaign

This 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 16 years, State Employees have raised more than \$20 million dollars to support charities across the State and the nation, as well as throughout the world.

The Department 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 (Some years, we had everyone on staff participate.)
- Supergivers (giving one hour of pay per pay period)
- Leadership giver (giving \$38.47 or more per pay period)

Since 2002 the department employees have given \$83,529.00.

Pack to School is an annual school supply drive supported by the Salvation Army, state employees, and American Express. This effort began in 2003 and has grown in success every year. In FY 2008, nearly 10,000 students received supplies as part of this endeavor. This year's goal was to collect a greater number of supplies to benefit a larger number of students. Participating schools are located throughout the state and are selected based on their percentage of students qualifying for the Free and Reduced Lunch program. The 2008 Pack to School drive was July 1 through July 31. The Department donated three (3) large boxes of various school supplies.

The Christmas Wish project at Wilson Primary School located at Fillmore and 30th Street, in one of the poverty-stricken neighborhoods in Phoenix, has been in place since 1995. For many of these children, Santa never comes. In December, the Department sponsored a third grade class of 24 students. Each year the students write a "Christmas Wish" letter to Santa. We provided the gifts and the treats to our assigned classroom for a Christmas Party that was held on December 18, 2008. The Department was on the Wilson School web site this year, also. Here's the link to show that our hard work does not go unnoticed http://www.wsd.k12.az.us/html/do/community_center/holiday_programs.html

HISTORY OF INDIAN GAMING IN ARIZONA

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 in a
- Gaming Facility;
- 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 Tribal Gaming Office 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 sharing entered into between a Tribe and the State;
- 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.

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

Modifications to Appendix F(1) clarify that the wager limitation in any blackjack game would be applied to each single wager that a player can make, 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

Modifications to Appendix F(2) clarify that the wager limitation in any house-banked poker game would be applied to each single wager that a lay can make, 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

New Appendix J clarifies the waiver of licensing and certification for certain Persons providing Gaming Services and certain Financial Sources.

Poker Memorandum of Understanding – Revised

Revisions to the Poker Memorandum of Understanding (MOU) update changes in the Gaming Compact Amendments relating to the play of Poker and wager limitation increases.

Urban Tribes State Electronic Access System MOU

This new MOU sets forth the means and manner in which the State Gaming Agency 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

This new MOU 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.

Interagency Agreement between the Tribal Police Department and ADG

This new Agreement provides for a process in which the Tribal Police Department and the ADG may share certain investigative information gathered by the respective agencies on individuals and entities involved in Indian gaming or other gaming operations.

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