



**Swinomish Indian  
Tribal Community**



**TRIBAL - STATE COMPACT  
FOR CLASS III GAMING**

*Between the*

**Swinomish Indian Tribal  
Community**

*and the*

**State of Washington**

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APPENDIX A

SWINOMISH INDIAN TRIBAL COMMUNITY - STATE OF WASHINGTON  
CLASS III GAMING COMPACT

STANDARDS OF OPERATION AND MANAGEMENT  
FOR CLASS III ACTIVITIES

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## INTRODUCTION

THIS COMPACT is entered into pursuant to the Indian Gaming Regulatory Act of 1988, P.L. 100-497, codified at 25 USC §2701-2721 and 18 USC §1166-1168 (hereafter I.G.R.A. or Act).

## PARTIES

THIS TRIBAL-STATE COMPACT is made and entered into by and between the SWINOMISH INDIAN TRIBAL COMMUNITY, a federally-recognized Indian Tribe, possessed of all sovereign powers and rights thereto pertaining, reorganized pursuant to section sixteen of the Indian Reorganization Act of 1934; and the STATE OF WASHINGTON, as a sovereign state of the United States, with all rights and powers thereto pertaining.

## RECITALS

An understanding of the nature and characteristics of the Swinomish Tribe and its people as well as the location of the Swinomish Reservation provided the background against which the Tribe and the State negotiated this Compact to govern the conduct of Class III gaming on Swinomish Tribal Lands. The following factors were considered by the parties in the development of this Compact.

A. The Swinomish Reservation is located in rural Skagit County, fifteen miles west of the City of Mount Vernon and twenty

miles southeast of the City of Anacortes. The total population of Skagit County is approximately 85,000.

B. The Reservation forms the southeastern end of Fidalgo Island and is bounded by salt water along 95% of its exterior boundaries. A four-lane highway (SR 20) between the cities of Anacortes and Burlington crosses the northern portion of the Reservation.

C. The Tribe owns a 135 acre tract of land north of SR 20 that it intends to develop into a marina and related upland services. The Tribe intends to construct its Class III gaming facility on the proposed marina site adjacent to the Tribe's Bingo facility which has been owned, operated and regulated by the Tribe since 1986. The Bingo facility is currently managed by an enrolled member of the Swinomish Tribe who is a former Assistant Vice President with SeaFirst Bank.

D. In the event that bank financing is not readily available for a new facility at the marina site, the Tribe intends to begin Class III gaming on an interim basis, in the Tribe's Longhouse Restaurant located at the southern end of the Reservation on Swinomish Channel.

E. Due to the Reservation's location, the gaming facility must rely on patrons who travel some distance from urban areas located outside of Skagit county. Travel time to the Reservation by automobile is one hour from Everett, one and one-half hours from Seattle, and two hours from Vancouver, British Columbia.

F. The Swinomish Tribe has developed a substantial and well-respected law and justice system. At the Tribe's request, the State retroceded partial criminal jurisdiction to the Tribe in

1988. The Tribe's current annual budget for law enforcement is \$460,000.

G. The Tribe's current Chief of Police is a former Snohomish County Deputy Sheriff. Tribal law enforcement includes five state-certified officers, seven reserve officers and a six-member marina patrol unit for fisheries enforcement. The Tribe's Police Department has mutual aid agreements with the town of La Conner, the cities of Anacortes, Sedro Woolley, and Concrete; and jail services contracts with Island county, Whatcom county and the city of Anacortes. For the past two years, the Tribe has conducted State Enforcement Certification training courses for Tribal officers and for officers from Oak Harbor, La Conner and Anacortes.

H. The Tribal Court program includes a judge, prosecutor, public defender, and a full-time court clerk to oversee the court's calendar and caseload. Tribal Court is in session five full days per month.

I. The Swinomish Tribe is a leader nationally in the development of tribal environmental regulatory programs. It was the first tribe in the state and the second tribe in the nation to obtain "treatment as a state" status under section 518 of the Federal Clean Water Act for section 106 programs. The Tribe is currently constructing a \$4.5 million sewer treatment system funded by grants from the U.S. Environmental Protection Agency ("EPA") and the State Department of Ecology. The Tribe's utility department is the recognized water purveyor for the Reservation, pursuant to a water supply agreement negotiated with adjacent municipalities pursuant to the State's critical water supply laws. The Tribe's public water supply system now serves over half of the Reservation.

J. The Tribe is also a leader nationally in State-Tribal regulatory cooperation. For its participation in a pilot project with Skagit county to resolve land use issues on the Swinomish Reservation, the Tribe received the American Planning Association's Honor Award in 1991, and Washington Governor Booth Gardner's Annual Outstanding Achievement Award for 1992.

K. In keeping with its commitment to the larger Skagit county community, the Tribe currently donates an average of \$32,000 annually in bingo revenues to non-tribal local charities.

#### DECLARATION OF POLICY AND PURPOSE

I.G.R.A. provides for the negotiation of compacts between States and Tribes to govern the conduct of Class III gaming. Indian tribes have rights under I.G.R.A. to regulate gaming activities on Indian lands if the gaming activity is not specifically prohibited by Federal law and is conducted within a state which does not, as a matter of criminal law and public policy, prohibit such gaming activity. The overarching policy of the I.G.R.A. is to provide a framework for the operation of gaming by Indian tribes as a means of promoting Tribal economic development, self-sufficiency and strong Tribal governments, as well as providing a basis for the regulation of gaming by an Indian tribe adequate to protect the Tribe and the State from organized crime and other corrupting influences, to ensure that the Tribe is the primary beneficiary of the gaming operation and to assure that gaming is conducted fairly and honestly by both the operator and players.

This Compact is intended to be the immediate means by which the Tribe may lawfully conduct Class III gaming activities within the State which permits such gaming for any purpose by any person, organization or entity; while realizing both State and Tribal objectives by defining the manner in which laws regulating the conduct of gaming activities are to be applied.

It is the policy of the Swinomish Indian Tribal Community to exercise and retain its rights to regulate gaming activities upon its lands and reservation for the purposes of encouraging Tribal employment, economic and social development and funding of Tribal services while ensuring fair operation of such gaming, the prevention of corruption or infiltration by criminal or other unwanted influences and ensuring that public health and safety concerns are met.

While the Tribe and the State may differ in their interpretation of the I.G.R.A., the parties acknowledge that this compact reflects their commitment to negotiate an agreement to authorize Class III gaming on Swinomish tribal lands. The gaming authorized in this Compact is expected to generate substantial revenues to address economic circumstances on the Swinomish Indian Reservation, and the immediate need for Reservation land acquisition financing.

It is the policy of the State, recognizing the close relationship between professional gambling and organized crime, to restrain all persons from seeking personal profit from professional gambling activities in the State; to restrain all persons from patronizing such professional gambling activities; and to safeguard the public against the evils of professional gambling. At the same

time, the policy of the State is to preserve the freedom of the press and to avoid restricting participation by individuals in activities and social pastimes, which are more for amusement than for profit, do not maliciously affect the public and do not breach the peace.

This Compact is intended to embody the policies and the shared and individual goals and concerns of the Swinomish Indian Tribal Community and the State of Washington concerning the conduct of Class III gaming on Swinomish tribal lands.

**SECTION I.        TITLE**

This document shall be cited as "The Swinomish Indian Tribal Community - State of Washington Gaming Compact."

**SECTION II.      DEFINITIONS**

For purposes of this Compact:

A.    "Act" means the Indian Gaming Regulatory Act, Pub.L. 100-497, 25 USC §2701 et seq. and 18 USC 1166 et seq. (also IGRA).

B.    "Applicant" means any individual who has applied for Tribal licensing or State certification, whether or not such license or certification is ultimately granted.

C.    "Class III Gaming" means all forms of gaming as defined in 25 USC Section 2703(8) and regulations promulgated thereunder, and authorized under Section III of this Compact.

D.    "Compact" means the Swinomish Indian Tribal Community - State of Washington Gaming Compact.

E.    "Gambling Device" means any device or mechanism the operation of which a right to money, credits, deposits or other things of value may be created, in return for a consideration, as the result of the operation of an element of chance and any device or mechanism which, when operated for a consideration, does not return the same value or thing of value for the same consideration upon each operation thereof.

F.    "Gaming Employee" means any person employed in the operation or management of the gaming operation, whether employed by or contracted to the Tribe or by any person or enterprise providing on or off-site services to the Tribe within or without the gaming facility regarding any Class III activity, including,

but not limited to, gaming operation managers and assistant managers; accounting personnel; surveillance and security personnel; cashier supervisors; dealers or croupiers, box men; floormen; pit bosses; shift bosses; cage personnel; collection personnel; gaming consultants; management companies and their principals; and any other natural person whose employment duties require or authorize access to restricted areas of the gaming facility not otherwise opened to the public. Depending upon the duties involved in any position in the gaming operation, the State and Tribal Gaming Agencies may, by mutual agreement, exclude some employees who are included under this definition, or include other employees not listed.

G. "Gaming Facility" means the room or rooms in which Class III Gaming as authorized by this Compact is conducted on Swinomish Tribal Lands.

H. "Gaming Operation" means the enterprise operated by the Tribe on Swinomish Tribal Lands for the conduct of any form of Class III gaming in any gaming facility.

I. "Gaming Services" means the providing of any goods or services to the Tribe directly in connection with the operation of Class III gaming in a gaming facility, including equipment, maintenance or security services for the gaming facility.

J. "Gaming Station" means one gaming table of the general size and scope as commonly used in Nevada.

K. "Individual" means, but is not limited to, natural persons and business entities including business sole-proprietorships, partnerships, corporations, joint ventures, organizations and associations.

L. "Local Law Enforcement Agency" means the Skagit County Sheriff, State Gaming Agency, Washington State Patrol, and other law enforcement agencies in the vicinity of the gaming operation which have cross deputization agreements approved by the Tribe.

M. "Net Win" means the total amount of gaming station income (gross gaming revenue), i.e., the difference between the total amount wagered or played and the amounts repaid to winners.

N. "Principal" means with respect to any enterprise: (i) each of its officers and directors; (ii) each of its principal management employees, including any chief executive officer, chief financial officer, chief operating officer, or general manager; (iii) each of its owners or partners, if an unincorporated business; (iv) each of its shareholders who own more than ten percent of the shares of the corporation, if a corporation; and (v) each person or entity other than a banking institution who has provided financing for the enterprise constituting more than ten percent of the start-up capital or operating capital over a twelve month period, or a combination thereof. For purposes of this definition, where there is any commonality of the characteristics identified in (i) through (iv) above between two or more entities, those shall be deemed to be a single entity.

O. "State" means the State of Washington, its authorized officials, agents and representatives.

P. "State Certification" means the process utilized by the State Gaming Agency to ensure that all persons required to be licensed or certified are qualified.

Q. "State Gaming Agency" means the Washington State Gambling Commission.

R. "Swinomish Tribal Lands" means Indian lands as defined by 25 USC Section 2703(4)(A) and (B), subject to the provisions of 25 USC Section 2719.

S. "Tribal Gaming Agency" means the Swinomish Tribal Gaming Commission or such other agency of the Tribe as the Tribe may designate by written notice to the State as the single Tribal agency primarily responsible for regulatory oversight of Class III Gaming as authorized by this Compact. No employee of the gaming operation may be a member or employee of the Tribal Gaming Agency.

T. "Tribal Law Enforcement Agency" or "Tribal Police Agency" means the police force of the Swinomish Indian Tribal Community established and maintained by the Tribe pursuant to the Tribe's powers of self-government to carry out law enforcement within the Swinomish Tribal Lands.

T. "Tribe" means the Swinomish Indian Tribal Community, a federally recognized Indian Tribe reorganized pursuant to section sixteen of the Indian Reorganization Act of 1934, its agents and representatives.

### **SECTION III. NATURE, SIZE AND SCOPE OF CLASS III GAMING**

#### **A. Scope of Class III Gaming Activities**

The Tribal gaming operation may utilize in its gaming facility, subject to the provisions of this Compact, any or all of the following Class III activities:

1. Blackjack, Money-wheel, Roulette, Baccarat, Chuck-a-luck, Pai-gow, Red Dog, Chemin De Fer, Craps, 4-5-6, Ship-Captain-Crew, Horses (stop dice), Beat the Dealer, Over/Under Seven, Beat My Shake, Horse Race, Sweet Sixteen, and Sic-Bo.

2. Sports Pools, on regularly scheduled athletic contests, of one hundred (100) squares wherein each square is sold for not more than ten dollars (\$10) and all proceeds, less a tribal administrative charge of no more than 50 cents for each \$10 wagered, are awarded to winners as prizes. The sports pool shall be conducted only as follows: (1) a board of paper is divided into 100 equal squares, each constituting a chance to win and each offered directly to prospective contestants; (2) the purchaser of each chance or square signs his or her name on the face of each square purchased; (3) no later than prior to the start of the athletic contest the pool is closed and no further chances are sold; (4) after the pool is closed a prospective score is assigned by random drawing to each square; (5) the sports pool board must be available for inspection by any person purchasing a chance, by the state and tribal gaming agencies or by any local enforcement agency at all times prior to payment of the prize; and (6) the tribe will conduct no other sports pool on the same athletic event.

3. The Tribe may wish to play other table games that would also be authorized for play for any purpose by any person, organization, or entity in the State of Washington and that are not otherwise treated as Class II gaming in the state pursuant to 25 USC §2703(7). In that event, the Tribe shall provide the proposed game regulations to the State Gaming Agency at least thirty (30) days prior to the time play begins. If the State takes no action within the 30 days, the Tribe may begin offering the game. If a dispute arises between the Tribe and the State regarding issues including, but not limited to, legality of the game, rules of the game, method of play, or ability of the parties to regulate, the

game shall not be utilized until the dispute is resolved in accordance with Section XI.

B. Additional Class III Games

The parties understand that the Swinomish Tribe may later wish to conduct other Class III games allowed under the IGRA, that are not included in this Compact, to be played on the Swinomish Reservation; for example, a tribal lottery or horse racing activity. In that event, the parties agree that if the Tribe wishes to conduct such activities, the following process will be followed:

1. The Tribe will submit a letter from the Tribal Chairman to the Governor identifying specifically the additional proposed activities as well as applicable amendments or additions to the Swinomish Tribal Code.

2. The Tribe will submit to the State Gaming Agency, together with a copy of the above letter, draft regulations covering the proposed activity.

3. The State Gaming Agency will review the regulations submitted and, with the Tribe, negotiate to develop a Compact covering operation and regulations of the Tribal activity, within the next sixty (60) days after receipt.

4. If the State disapproves the proposed regulations during the sixty (60) day period or a Compact covering the proposed activity is not finalized during the sixty (60) day period, the State and the Tribe agree to continue to negotiate to develop regulations and a Compact for at least an additional one hundred twenty (120) days prior to any action being filed against the State pursuant to 25 USC §2710(d)(7)(A)(i).

C. Punchboards and Pull Tabs and Washington State Lottery

In addition to the games authorized by Section III.A, the Tribe may utilize punchboards and pull tabs in the facility and at other locations within the Swinomish Tribal lands subject to licensure and regulation by the Tribe and operated in a manner consistent with the sale of punchboards and pull tabs in the Tribal bingo facility. The operation of Washington State lottery retail locations shall be subject to the provisions of Chapter 67.70 RCW, Title 315 WAC, and Tribal Ordinance. Nothing in this compact is intended to prohibit or restrict otherwise lawful and authorized class II gaming activities upon Swinomish Tribal Lands or within the gaming facility.

D. Authorized Gaming Operation

The Tribe shall establish one gaming facility on the Swinomish Reservation for the operation of Class III games as authorized under this Compact. The Tribe plans to construct a gaming facility within the Swinomish Reservation on Tribal-owned lands north of State Highway 20 at the Tribe's proposed marina development site. If the Tribe is unable to acquire financing for construction at this site, the Tribe shall initially conduct Class III gaming at the location of the former Longhouse Restaurant, located on the Reservation near the Tribal Administration Building. When revenues become available, the Tribe would relocate the Class III gaming to the proposed marina development site. The Tribe shall provide to the State, at least ninety (90) days prior to conversion of an existing facility or construction of a new facility on the Reservation, the specific location and site plan for the Class III gaming operation. At that time, the State and

the Tribe will schedule open public meetings to discuss these plans and solicit public comment. The Tribe will fully comply with siting and land use requirements at least as restrictive as those in the Swinomish Tribal Code and all applicable federal regulations.

E. Forms of Payment

All payment for wagers made in authorized forms of Class III gaming conducted by the Tribe on its Tribal Lands, including the purchase of chips for use in wagering, shall be made by cash, cash equivalent, credit card or personal check. The Tribal gaming operation shall not extend credit to any patron of the gaming operation for gaming activities.

F. Size of Gaming Floor

The actual Class III gaming floor within the gaming facility shall not exceed 12,000 square feet.

G. Size of Class III Gaming Operation

The number of gaming stations authorized for use on the gaming floor of the initial facility shall not exceed twenty-five (25) stations. After twelve (12) months of continual operation of the Class III gaming facility, the number of gaming stations may be increased to thirty-one (31) provided none of the following have occurred: (1) violations of the provisions of the Compact which have resulted in sanctions imposed by the Federal District Court; (2) substantial and repeated violations of Sections III and IV of this Compact against the gaming facility; or (3) material adverse impacts on the public safety, health or welfare of the surrounding communities in the nature of criminal activities directly related to the operation of the Class III facility. The State must be able

to prove, by a preponderance of the evidence, claims of material adverse impacts under subsection (3) above. Provided, after six months of continual operation of the Class III gaming facility, the State and Tribal Gaming Agencies will review the gaming operation and activities and, if there is no evidence to indicate that the operation should not expand to the thirty-one (31) gaming stations at that time, the State and Tribal Gaming Agencies may, by mutual agreement, authorize an increase in the number of gaming stations effective immediately, or at a specified date prior to the twelve month period. Any dispute arising under this section shall be resolved pursuant to Section XI of this Compact. Further, expansion shall not occur while a State initiated action in Federal District Court or a dispute under Section XI is pending on these issues.

H. Wagering Limitations

1. The maximum wager limit for the twenty-five (25) gaming stations authorized for the first twelve (12) months of operation shall be twenty-five dollars (\$25). The Tribe will ensure that at least 56% of the operating gaming stations in the facility during the initial twelve (12) months of operation shall have a wager limit of no more than ten dollars (\$10) per wager. If the operation is authorized to increase in accordance with Section III.G, one (1) gaming station may utilize a maximum of one hundred dollars (\$100) per wager and no more than 42% of the total operating gaming stations may utilize a maximum wager limit of twenty five dollars (\$25) per wager. Provided, should the State Gaming Agency increase the wagering limits currently in play for licensed fund raising events and card games, upon thirty days (30)

written notice to the State Gaming Agency from the Tribe, the Tribe may authorize the same wagering limits. Any dispute arising under this section shall be resolved pursuant to Section XI of this Compact.

I. Hours of Operation

1. The maximum number of operating hours for the gaming operation shall not exceed four thousand one hundred sixty (4,160) hours per year. Provided, however, additional hours of operation will be permitted if fewer than twenty-three (23) authorized gaming stations are available for use, but subject to the provisions of subsection 2 below. These provisions shall not be applicable if 23 or more gaming stations are utilized.

2. If the Tribe begins operation in the existing Longhouse Restaurant building, that facility may not accommodate the number of gaming stations authorized. In order to achieve equivalent revenues to a twenty-three (23) gaming station facility, the number of hours available for play may be reallocated if the Tribe is limited by space available in that facility to operating less than 23 gaming stations. In that event, the number of additional hours shall be based on the ratio of gaming stations on the gaming floor to the 23 gaming station revenue goal. For example, if the Tribe can only utilize 20 gaming stations in the space available, for the first year of operation, the Tribe would receive a credit for the operating hours that the Tribe was unable to use for its authorized number of gaming stations during that year, and would be permitted to remain open an additional 624 hours annually (3 gaming stations times 4,160 hours per station divided by 20 gaming stations). In order to receive credit for an unused

table, credited hours will be based only on months of non-use and not on individual days or partial months of non-use. Provided, that the Tribal Gaming Agency will determine the size of the facility within the authorized limits and establish the number of gaming stations to be utilized at least 45 days prior to opening the facility to the public. Subsequently, the Tribe will provide at least sixty (60) days notice to the State if the number of gaming stations in the facility is increased. If the Tribe increases the number of tables to 23 or more, operating hours credited because of space constraints will be forfeited at that time.

The gaming facility will be open no more than eighteen (18) hours in any twenty-four (24) hour period. The Tribal Gaming Agency shall, on a quarterly basis, provide to the State Gaming Agency a schedule of dates and times the facility will be open to the public. The Tribe may schedule the hours to best comply with market conditions and may operate any day of the week. The gaming operation and gaming facility shall be closed to the public from 2:00 a.m. until 8:00 a.m. each day of operation.

J. Ownership of Gaming Facility and Gaming Operation

The gaming operation, including the gaming facility, shall be owned, operated and managed by the Tribe. Provided, the Tribe shall be entitled to contract for management of the gaming facility and gaming operation. Such contract shall subject the manager to the terms of this Compact, including all certification and licensing requirements.

K. Prohibited Activities

Any Class III gaming activity not specifically authorized in Section III.A is prohibited. Any electronic facsimile of a gaming activity and all gambling devices are prohibited.

L. Concurrent Operation of Class III and Class II Activities

The I.G.R.A. provides authority to Indian tribes to offer specific gaming activities as Class II gaming, and the operation of this Class II gaming is under the jurisdiction of the tribe subject to the provisions of the I.G.R.A. Nothing herein is intended to prohibit or restrict otherwise lawful and authorized Class II gaming activities upon Swinomish Tribal Lands or within the gaming facility. The parties to this Compact anticipate that any Class II activities on Swinomish Tribal Lands will be conducted in a separate facility or in a portion of the gaming facility that is separate from that portion where the Class III games authorized by this Compact are offered. Commingling of those Class III games with the Class II activities could impact the regulatory scheme established in this Compact, necessitating a separation of gaming revenues, records, and licensees and identification of the Class II and Class III gaming stations and operations. In the event the Tribe wishes to commingle Class III and Class II activities, the Tribal and State Gaming Agencies agree to fully review these issues and shall execute an agreement to facilitate and ensure effective and efficient monitoring and regulation under the terms of this Compact and the I.G.R.A.

M. Prohibition on Minors

No person under the age of eighteen (18) shall participate in any gaming operation, or be allowed on the gaming floor authorized by this Compact during actual hours of operation. Should alcoholic beverages be offered on the gaming floor pursuant to applicable law, then no patron under the age of twenty-one (21) shall be permitted on the gaming floor during actual hours of operation.

N. Prohibition on Firearms

The possession of firearms by any person within the gaming facility shall be strictly prohibited, and a notice to such effect will be posted on the premises. Provided, this prohibition shall not apply to authorized agents or officers of the Tribal Gaming Agency, Tribal Law Enforcement Agency, State Gaming Agency, or state and local law enforcement agencies.

O. Financing

Any party extending financing, directly or indirectly, to the gaming facility or gaming operation shall be subject to the annual licensing requirements of the Tribal Gaming Agency, and shall be required to obtain State certification prior to completion of the financing agreement, and annually thereafter. These licensing and certification requirements do not apply to financing provided by a federally regulated commercial lending institution, the Swinomish Tribal government, or the Federal government. Provided, the source of all funds will be fully disclosed to the State Gaming Agency.

**SECTION IV.      LICENSING AND CERTIFICATION REQUIREMENTS**

**A.      Gaming Operation and Facility**

The gaming operation and gaming facility authorized by this Compact shall be licensed by the Tribal Gaming Agency in conformity with the requirements of this Compact prior to commencement of operation, and annually thereafter. Initial verification of this requirement shall be made by the State Gaming Agency and the Tribal Gaming Agency through a joint pre-operation inspection, conducted at least ten (10) days prior to scheduled opening of the facility to the public, and a joint letter of compliance. If a dispute arises during the inspection, it shall be resolved pursuant to Section XI of this Compact.

**B.      Gaming Employees**

Every gaming employee shall be licensed by the Tribal Gaming Agency prior to commencement of employment, and annually thereafter. Further, all gaming employees shall be certified by the State prior to commencement of employment, and annually thereafter.

**C.      Manufacturers and Suppliers of Gaming Services**

Each manufacturer and supplier of gaming services, shall be licensed by the Tribal Gaming Agency and shall be certified by the State prior to the sale of any gaming services. If the supplier or manufacturer of the services or goods is licensed or certified by the State of Washington for that purpose, they shall be deemed certified to supply those services or goods for the purposes of this Compact. The licensing and certification shall be renewed and maintained annually.

**SECTION V.            LICENSING AND STATE CERTIFICATION PROCEDURES**

**A.    Procedures For Tribal License Applications and State Certification**

Each applicant for a Tribal gaming license and State certification shall submit the completed application along with the required information to the Tribal Gaming Agency. These forms shall contain information, documentation and assurances as may be required by the Tribal and State Gaming Agencies concerning the applicant's personal history, references, criminal record, business activities, financial affairs, work history and experience, and educational background. Each completed application must be accompanied by the applicants' fingerprint cards, current photographs, and the fees required by the Tribal and State Gaming Agencies. Upon receipt, the Tribe will transmit a copy of license application materials for each applicant, together with fingerprint cards, a current photograph and any fee required, to the State Gaming Agency. For applicants who are business entities, these provisions shall apply to the principals of such entities.

**B.    Background Investigations of Applicants**

Upon receipt of a completed application and the required fee for State certification, the State Gaming Agency shall conduct the necessary background investigation to ensure that the applicant is qualified for State certification. The State Gaming Agency shall expedite state certification requests submitted by the Tribe. Upon completion of the necessary background investigation, the State Gaming Agency shall either issue a State certification to the applicant with a copy to the Tribal Gaming Agency, or deny the application based on the criteria set forth in this Compact. If

the application for certification is denied, a statement setting forth the grounds for denial shall be forwarded to the applicant in accordance with the provisions of Chapter 230-50 WAC with a copy forwarded to the Tribal Gaming Agency.

C. Grounds for Revocation, Suspension, or Denial of State Certification

The State Gaming Agency shall grant, deny, revoke or suspend a State certification based on the standards established in RCW 9.46.075. In general, certification may be denied if the applicant:

1. Is determined to be a person whose prior activities, criminal record, if any, or reputation, habits or associations pose a threat to the effective regulation of gaming or create or enhance the chances of unfair or illegal practices, methods and activities in the conduct of the gaming activities permitted pursuant to this Compact or has violated, failed or refused to comply with the provisions, requirements, conditions, limitations or duties imposed by any provision of a Tribal/State Compact.

2. Has failed to provide any information reasonably required to investigate the application for state certification or to reveal any fact material to such application, or has furnished any information which is untrue or misleading in connection with such application.

3. Has had a tribal gaming license revoked or denied during the twelve (12) months prior to the date of receipt of the application; is currently on probation; or has demonstrated a willful disregard for compliance with gaming regulatory authority in any jurisdiction, including offenses that could subject the

individual or entity to suspension, revocation or forfeiture of a gaming license.

4. The State Gaming Agency may consider any prior criminal conduct and/or current probationary status of an applicant or holder of certification, and the provisions of RCW 9.95.240 and of Chapter 9.96A RCW shall not apply to such cases.

5. For enrolled members of the Swinomish Tribe who are applicants for Class III gaming certification and licensing, the State Gaming Agency will consult with the Tribal Gaming Agency prior to denying certification to such an applicant who does not meet the criteria for certification. The Tribal and State Gaming Agencies may waive, by mutual agreement, through a provisional or conditional certification, certain criteria for such enrolled tribal members if the waiver does not pose an appreciable risk to the public or the lawful operation of the gaming facility. If the Tribe can show extenuating circumstances why an enrolled tribal member who does not meet all criteria should be further considered for a provisional or conditional certification, the Tribal and State Gaming Agencies may agree to a temporary certification, based on specific conditions and a further detailed review of the applicant. Additional fees may be required to maintain a conditional or provisional certification.

6. Notwithstanding anything herein to the contrary, in the absence of other violations, it shall not be automatic grounds for revocation, suspension or denial for an enrolled member of the Swinomish Tribe or member of another federally recognized Indian Tribe to have been charged or convicted of a non-gambling related offense related solely to the exercise or defense of treaty rights.

Such Indian individuals, in the absence of other violations, activities or factors which would warrant denial, revocation or suspension shall not be barred from certification solely as a result of these activities.

D. Right To Hearing For Revocation, Suspension, or Denial of State Certification

Any applicant for State certification, or holder of a State certification, with the exception of those holding provisional or conditional certifications, shall be entitled to a full hearing on any action by the State Gaming Agency which may result in the revocation, suspension, or denial of State certification. The hearing will be conducted in accordance with the procedures contained in RCW 9.46.140, as now or hereafter amended, and with those applicable provisions contained in Chapter 34.05 RCW and Chapter 230-50 WAC incorporated by reference into this Compact. Provided, the State may defer such actions to the Tribal Gaming Agency at the State's discretion. These provisions shall not prevent the Tribal Gaming Agency from invoking its independent disciplinary procedures and proceedings.

E. Denial, Suspension, or Revocation of Licenses Issued By Tribal Gaming Agency

The denial, suspension, or revocation of any Tribal gaming license by the Tribal Gaming Agency shall be in accordance with Tribal ordinances and regulations governing such procedures.

F. Duration and Renewal of Tribal Issued Licenses and State Certifications

Any license issued by the Tribe or certification issued by the State shall be effective for one year from the date of

issuance. Provided, that a licensed or certified employee or party that has applied for renewal may continue to be employed under the expired license or State certification until action is taken on the renewal application by the Tribal Gaming Agency or State Gaming Agency. Applicants for renewal of license or certification shall provide updated material as requested, on the appropriate renewal forms, but shall not be required to re-submit historical data already available to the Tribal Gaming Agency or the State Gaming Agency. Additional background investigation shall not be required unless new information concerning the applicant's continuing suitability or eligibility for a Tribal license or a State certification is discovered by either the Tribal Gaming Agency or the State Gaming Agency.

G. Identification Cards

The Tribal Gaming Agency shall require all gaming employees to wear, in plain view, identification cards issued by the Tribal Gaming Agency which include photo, first name and an identification number unique to the individual tribal license and/or certification, a Tribal seal or signature, and a date of expiration.

H. Exchange of Tribal Licensing and State Certification Information

Both the Tribe and the State shall strive to ensure a qualified work force in all areas of Class III gaming and in all types of gambling authorized under the laws of the State. Therefore, upon completion of any administrative action against a Tribal license or State certification, the final disposition shall be forwarded to either the Tribal Gaming Agency or the State Gaming

Agency and maintained as part of both agencies permanent licensing records.

I. Fees For State Certification

The fees for State certification shall be as follows:

- |  |           |
|--|-----------|
| 1. Gaming Employee (in-state)<br>Initial Certification   | \$ 200.00 |
| 2. Gaming Employee (out-of-state)<br>Initial Certification   | 250.00    |
| 3. Gaming Employee - Renewal   | 125.00    |
| 4. Manufacturers, Suppliers, Financiers,<br>or Management Entities (in-state)<br>Initial Certification     | 1500.00   |
| 5. Manufacturers, Suppliers, Financiers,<br>or Management Entities (out-of-state)<br>Initial Certification | 5000.00   |
| 6. Manufacturers, Suppliers, Financiers,<br>or Management Entities<br>Renewal                              | 500.00    |

Provided, should costs incurred by the State Gaming Agency exceed the above fees, such actual and reasonable costs will be assessed to the applicants during the investigation process. Payment in full to the State Gaming Agency will be required prior to the issuance of State certification. The State Gaming Agency may modify any of the above fees consistent with like fees charged by the State Gaming Agency for gaming elsewhere in the State by giving the Tribe sixty (60) days notice of intent to modify fees. Should a dispute arise under this section it shall be resolved pursuant to Section XI of this Compact.

J. Fees For Tribal License

The fees for all gaming employee licenses shall be set by the Tribal Gaming Agency.

K. Temporary Certification of Gaming Employees

Unless the background investigation undertaken by the State Gaming Agency, within thirty (30) days of the receipt of a completed application discloses that the applicant has a criminal history, or unless other grounds sufficient to disqualify the applicant pursuant to compact provisions are apparent or have been discovered during that period, the State Gaming Agency shall, upon request of the Tribal gaming operation, issue a temporary certification to the applicant. The temporary certification shall become void and be of no effect upon either the issuance or denial of a State certification in accordance with the provisions of this Compact. During the twelve month (12) period immediately following the effective date of this Compact, any applicant who has a current license issued by the State Gaming Agency may submit current license information together with his or her completed application, and the authorization for the release of all such information and shall be immediately issued a temporary certification by the State Gaming Agency pending completion of the certification investigation.

L. Certification Decisions - Dispute Resolution for Tribal Members

For disputes between the State and Tribal Gaming Agencies regarding suitability for initial certification of an enrolled member of the Swinomish Tribe that cannot be resolved through agreement of the parties or provisional/conditional certification, the parties agree to seek resolution, if necessary, through the arbitration procedures established in Section XI of this Compact. In the event the State Gaming Agency has issued an intent to deny

certification, the Tribe may elect to utilize the arbitration procedure in Section XI or the state administrative process. Provided, that the Tribe shall pay the entire cost incurred for arbitration regarding the State's certification decisions. Provided further, that the State will only be obligated to pay their share of such costs if certification approval is unreasonably withheld and it is clearly shown, through a pattern of the State's certification decisions being routinely overturned by arbitration, that the State's denial of certification is incorrect and unreasonable. The Tribe will have the burden of proving that the State is unreasonably withholding certification and that the State's certification decisions show a pattern of being incorrect and unreasonable. The applicant will not be allowed to begin work until the dispute regarding suitability for certification is resolved.

M. Summary Suspension of Tribal License or State Certification

The Tribal Gaming Agency, pursuant to the laws of the Tribe, and the State Gaming Agency, pursuant to the laws of the State, may summarily suspend any respective Tribal license or State certification if the continued licensing or certification of a person or party constitutes a potentially serious threat to the public health, safety or welfare.

N. Submission to State Administrative Process

Any applicant for State certification agrees, by submitting such application, to agree to and comply with all State procedures and processes to the extent necessary to determine qualification to hold such certification, including all necessary

administrative procedures, hearings and appeals pursuant to RCW 9.46, WAC 230-50, and the State Administrative Procedures Act, RCW 34.05, and submits to the jurisdiction of the State and waives any defenses to such jurisdiction, and the application shall so reflect. Nothing in this section shall be deemed or interpreted as a waiver of immunity or submission to State jurisdiction for any other purpose or cause of action.

O. Decertification of Key Management Personnel

The State will not summarily suspend or revoke the certification of key management personnel with supervisory responsibilities in the Class III gaming facility for noncompliance with only the procedural requirements of this Compact and applicable laws incorporated herein. Because summary suspension or revocation of certification of such personnel could jeopardize proper operation of the gaming facility, the intent of the State to summarily suspend or revoke certification of such personnel will first be discussed with the Tribal Gaming Agency. In the event that the Tribe challenges a summary suspension or revocation of key management personnel under the provisions stated in this section, the management employee shall not be removed from employment pending completion of a hearing process unless that individual poses an imminent threat to public health, safety and welfare or to the lawful operation of the gaming facility.

**SECTION VI. TRIBAL ENFORCEMENT OF COMPACT PROVISIONS**

A. Tribal Gaming Agency

The primary responsibility for the on-site regulation, control and security of the gaming operation authorized by this

Compact, and for enforcement of this Compact within Swinomish Tribal Lands, shall be that of the Tribal Gaming Agency. Enforcement of Compact provisions will be carried out in conjunction with the Tribal Police Department. The Tribal Gaming Agency shall perform the following functions:

1. Enforce in the gaming operation, including the facility, all relevant laws;

2. Ensure the physical safety of patrons in the establishment;

3. Ensure the physical safety of personnel employed by the establishment;

4. Ensure the physical safeguarding of assets transported to and from the gaming facility and cashier's cage department;

5. Protect the patrons' and the establishment's property from illegal activity;

6. Temporarily detain persons who may be involved in illegal acts, for the purpose of notifying the law enforcement authorities; and

7. Record, in a permanent and detailed manner, any and all unusual occurrences within the gaming facility. Each incident, without regard to materiality, shall be assigned a sequential number and, at a minimum, the following information shall be recorded in indelible ink in a bound notebook from which pages cannot be removed and each side of each page of which is sequentially numbered:

a. the assigned number;

b. the date;

c. the time;

d. the nature of the incident;

e. the person involved in the incident; and

f. the security department or Tribal Gaming Agency employee assigned.

B. Inspectors

The Tribal Gaming Agency and/or Tribal Police Department shall employ qualified inspectors or agents who shall be independent of the Tribal gaming operation, and supervised and accountable only to the Tribal Gaming Agency and/or Tribal Police Department.

C. Reporting of Violations

At least one Tribal gaming inspector shall be present in the gaming facility during all hours of gaming operation, and shall have immediate access to any and all areas of the gaming operation for the purpose of ensuring compliance with the provisions of this Compact and Tribal Ordinances. Any violations of the provisions of this Compact, or of Tribal Ordinances by the Tribal gaming operation, a gaming employee, or any person on the premises whether or not associated with the Tribal gaming operation shall be reported immediately to the Tribal Gaming Agency and forwarded to the State Gaming Agency, in writing, within seventy-two (72) hours of the time the violation was discovered.

D. Investigation and Sanctions

The Tribal Gaming Agency shall investigate any reported violation of the Compact provisions and shall require the Tribal gaming operation to correct the violation upon such terms and conditions as the Tribal Gaming Agency determines are necessary. The Tribal Gaming Agency shall be empowered by Tribal Ordinance to impose fines and other sanctions within the jurisdiction of the Tribe against a gaming employee, a management company employee, or any other person directly or indirectly involved in, or benefiting from, the gaming operation.

E. Reporting to State Gaming Agency

The Tribal Gaming Agency shall forward copies of all completed incident and investigation reports and final dispositions to the State Gaming Agency on a continuing basis. If requested by the Tribal Gaming Agency, the State Gaming Agency shall assist in any investigation initiated by the Tribal Gaming Agency and provide other requested services to ensure proper compliance with the provisions of this Compact, Tribal Ordinances, laws of the Tribe, and applicable laws of the State.

F. Quarterly Meetings

In an attempt to develop and foster a relationship in the enforcement of the provisions of this Compact, representatives of the State Gaming Agency and the Tribal Gaming Agency shall meet, not less than on a quarterly basis, to review past practices and examine methods to improve the regulatory program created by this Compact. The meetings shall take place at a location selected by the Tribal Gaming Agency. The State Gaming Agency prior to or during such meetings shall disclose to the Tribal Gaming Agency any concerns, suspected activities or pending matters reasonably believed to constitute possible violations of this Compact by any person, organization or entity, unless such disclosure would compromise the interest sought to be protected.

**SECTION VII. STATE ENFORCEMENT OF COMPACT PROVISIONS**

A. Monitoring

The State Gaming Agency shall, pursuant to the provisions of this Compact, have the authority to monitor the Tribal gaming operation to ensure that the operation is conducted in compliance

with the provisions of this Compact. In order to properly monitor the Tribal gaming operation, agents of the State Gaming Agency shall have free and unrestricted access to all areas of the gaming facility during normal operating hours with or without giving prior notice to the Tribal gaming operation. Provided, that whenever possible, notice shall be given to the Tribal Gaming Agency, a tribal gaming inspector in the facility, or the Chief of the Swinomish Police Department, and the Tribe may assign a Tribal agent or other representative to accompany the State representative while on Tribal lands. Where there is reason to believe that criminal acts are being committed, or there is a bona fide reason to believe that notice to those Tribal representatives listed above could jeopardize the safety of individuals or the effectiveness of an investigation, the State may notify the appropriate federal authorities in lieu of Tribal notification. Following the investigation, and to the extent such disclosure does not jeopardize the investigation or the personal safety of individuals, the State shall provide the Tribal Gaming Agency or Police Department with a report of the investigation including the reasons for not providing advance notice and including information about evidence gathered in connection with the investigation.

B. Access to Records

Agents of the State Gaming Agency shall have authority to review and copy, during normal business hours, all records maintained by the Tribal gaming operation. Provided, that any copy of these investigative records and any information derived from them, shall be deemed confidential, and proprietary financial information of the Tribe. The State Gaming Agency shall notify the

Tribe of any requests for disclosure of such information and shall not disclose until the Tribe has had a reasonable opportunity to challenge the request. Any records or copies removed from the premises shall be forthwith returned to the Tribe after use, unless otherwise permitted to be retained by the State Gaming Agency under this Compact. Provided further, this public disclosure prohibition shall not apply to evidence used in any court or arbitration proceeding authorized by this Compact. Should a dispute arise under this section which cannot be resolved by a meeting of the parties, it shall be resolved pursuant to Section XI of this Compact.

C. Tribal Gaming Agency Notification

At the completion of any inspection or investigation, copies of the investigative report, including copies of evidence and information gathered in conjunction with the investigation, shall be forwarded to the Tribal Gaming Agency.

D. Cooperation With Tribal Gaming Agency

The State Gaming Agency shall meet periodically with the Tribal Gaming Agency and cooperate fully in all matters relating to the enforcement of the provisions of this Compact. The State Gaming Agency shall immediately notify either the Tribal Gaming Agency or the Swinomish Police Department of any activity suspected or occurring whether within the gaming facility or not, which adversely affects State, Tribal or public interests relating to the gaming facility and operation, unless such disclosure would compromise the interest sought to be protected. Following an investigation for which no disclosure is provided, the State shall provide the Tribe with a written report, including the basis for

not disclosing the information, and information about evidence gathered in connection with the investigation.

**SECTION VIII. JURISDICTION**

A. Civil Matters

1. Investigative Authority

The Tribal Gaming Agency and the State Gaming Agency shall have concurrent jurisdiction to investigate violations of the provisions of this Compact, and to bring administrative charges for such violations, in accordance with the provisions of Tribal Laws and the provisions of Chapter 9.46 RCW, incorporated by reference in Section VIII.C of this Compact, and applicable provisions of Chapter 34.05 RCW and Chapter 230-50 WAC, against any individual or business entity that is licensed by the Tribe or certified by the State Gaming Agency in accordance with Section IV and Section V of this Compact. In recognition of the need to foster a regulatory program to enforce the provisions of this Compact, the Tribe consents, as needed, to the exercise of jurisdiction over such administrative actions by the Office of Administrative Hearings and Superior Courts of the State, but only with respect to such actions to enforce the provisions of this Compact.

Further, after the date of final approval of this Compact, no new state gaming license shall be issued to a person, organization or business wanting to establish gambling on lands within the Swinomish Indian Reservation without the prior concurrence of the Tribe. In the event the parties disagree regarding this approval, dispute resolution will be under Section XI of this Compact.

2. Tribal Jurisdiction

Civil disputes arising from the conduct of gaming under the Swinomish Tribal Code may be heard in Swinomish Tribal Court or the appropriate administrative forum as established by the Code.

B. Criminal Matters

1. Investigative Authority

The Tribal Gaming Agency, the Swinomish Tribal Police, the Skagit County Sheriff, the Washington State Patrol, the State Gaming Agency or other local law enforcement agencies shall have the authority to investigate and make arrests if necessary for all gambling and related crimes against the laws of the Tribe and of Chapter 9.46 RCW incorporated by reference in Section VIII.C of this Compact, that occur within the gaming facility or within Swinomish Tribal Lands.

2. Protocol

No protocol or priority will determine which agency will respond, and nothing contained in this section shall impact any cross deputization agreement between the Swinomish Tribe and local law enforcement agencies, or impact the current allocation of jurisdiction relating to the criminal laws of the State and the Tribe involving non-gambling related crimes.

3. Venue

Following investigation and arrest, formal charges will be brought in the appropriate venue. Criminal prosecution will be through the proper state, tribal or federal court.

4. Jurisdictional Forums

Following investigation and arrest, formal charges will be brought in the appropriate forum. Criminal prosecution of non-

tribal members will be through the proper State or Federal courts. An enrolled member of the Tribe who is a criminal defendant will be prosecuted in Tribal or Federal Court. Wherever possible, for criminal defendants who are tribal members, Tribal court will be the preferred venue for individual prosecutions unless the Tribe declines to place jurisdiction in the Tribal Court within a reasonable time.

C. Limited Application of State Law

For the purposes of 18 USC §1166(d), enforcing the provisions of this Compact, and for protection of the public health, safety and welfare; and to the extent not inconsistent with other provisions of this Compact, RCW 9.46.075; 9.46.140; 9.46.155; 9.46.160; 9.46.170; 9.46.180; 9.46.185; 9.46.190; 9.46.196; 9.46.198; 9.46.220; 9.46.221; 9.46.222; 9.46.230; and 9.46.240, as now or hereafter amended, shall be applicable and incorporated by reference herein as part of this Compact and the Tribe consents to this transfer of jurisdiction to the State with respect to Class III gaming on Swinomish Tribal Lands. Amendments shall be incorporated by reference and made part of this Compact by resolution of the Tribal and State Gaming Agencies. Provided, that for changes to RCW 9.46.075 or 9.46.140, amendments shall not be applicable if they materially impact the ability of the Tribe to conduct Class III gaming activities pursuant to this Compact. Provided further, disputes may be resolved under the provisions of Section XI if necessary.

D. Exception to Consent

Except for the transfer of jurisdiction to the State with respect to Class III gaming on Swinomish Tribal Lands to the extent

provided for in this section and elsewhere in this Compact for acts of individuals, nothing in this Compact shall be deemed a consent or submission of or by the Tribe to the jurisdiction and application of other laws of the State.

E. Law Enforcement Coordination

In an attempt to foster a spirit of cooperation between the law enforcement agencies authorized to enforce the criminal laws of the State, of the Tribe, and those laws affecting the public health, safety and welfare of the surrounding communities, representatives of those law enforcement agencies shall meet prior to commencement of operations and periodically thereafter to discuss mutual concerns and coordinate the enforcement actions necessary to minimize those concerns.

**SECTION IX. ENACTMENT OF COMPACT PROVISIONS**

A. State Gaming Agency Rules or Regulations

Pursuant to its general rule making authority contained in Chapter 9.46 RCW, the State Gaming Agency may enact as part of its rules or regulations governing gambling, all or part of the provisions of this Compact.

B. Tribal Gaming Agency Regulations

Pursuant to its general rule making authority, the Tribal Gaming Agency may enact as part of its regulations governing gambling, all or part of the provisions of this Compact.

**SECTION X.           REGULATIONS FOR THE OPERATION AND MANAGEMENT OF THE  
TRIBAL GAMING OPERATION**

**A.   Adoption of Regulations for Operation and Management**

The Tribal Gaming Agency shall adopt regulations to govern the operation and management of the gaming operation conducted under the authority of this Compact. The regulations shall ensure that the provisions of this Compact are properly enforced. The regulations shall maintain the integrity of the gaming operation and shall reduce the dangers of unfair or illegal practices in the conduct of the Class III gaming operation. The initial regulations to govern the operation and management of the Tribal gaming operation shall be the standards set forth in Appendix A.

The Tribal Gaming Agency shall notify the State Gaming Agency of any intent to revise the standards set forth in Appendix A and shall request the concurrence of the State Gaming Agency for such revisions. State Gaming Agency concurrence shall be deemed granted unless written disagreement is delivered to the Tribal Gaming Agency within sixty (60) days of submission of the revised standards. The State Gaming Agency shall concur with the proposed revisions upon request, unless it finds that they would have a material adverse impact on the public interest in the integrity of the gaming operation, and shall disagree only with such portions which are determined to have a material adverse impact upon the public interest. If the State Gaming Agency disagrees with the request of the Tribal Gaming Agency, it shall set forth with specificity the reasons for such disagreement. Upon a notice of disagreement, the parties shall meet, and in good faith try to

resolve the differences. If unsuccessful, the matter shall be resolved pursuant to Section XI.C of this Compact.

B. Additional Operational Requirements Applicable To Class III Gaming

The following additional requirements shall apply to the gaming operation conducted by the Tribe:

1. To ensure integrity, the Tribal gaming operation shall maintain the following logs as written, or computerized records which shall be available for inspection by the State Gaming Agency in accordance with Section VII.B of this Compact: a surveillance log recording all surveillance activities in the monitoring room of the gaming facility; a security log recording all unusual occurrences for which the assignment of a Tribal Gaming Agency employee is made.

2. The Tribal Gaming Agency shall establish and maintain a list of persons barred from the gaming facility because their criminal history or association with career offenders or career offender organizations poses a threat to the integrity of the gaming activities of the Tribe. The Tribal Gaming Agency shall employ its best efforts to exclude persons on such list from entry into its gaming facility. The Tribal Gaming Agency shall send a copy of its list on a quarterly basis to the State Gaming Agency.

3. The Tribal Gaming Agency shall require the audit of the Tribal gaming operation, not less than annually, by an independent certified public accountant, in accordance with the American Institute of Certified Public Accountants' auditing and accounting standards for audits of casinos.

4. The Tribal Gaming Agency shall notify the State Gaming Agency of the rules of each game operated by the Tribe and of any change in such rules. Summaries of the rules of each game relevant to the method of play and odds paid to winning bets shall be visibly displayed or available in pamphlet form in the gaming facility. Betting limits applicable to any gaming station shall be displayed at such gaming station. Rules for games identified in Section III.A shall be based upon such games as commonly practiced in Nevada, including wagering, and shall not fundamentally alter the nature of the game. Rules for games identified in Section III.A shall be submitted to the State Gaming agency for review, and to determine if the rules fundamentally alter the nature of the game. The Tribe will provide the State Gaming Agency ten (10) days advance notice of the rules of each game and any modifications of those rules, and will provide adequate notice to patrons of the gaming operation facility to advise them of the applicable rules in effect. In the event of a dispute, the matter will be handled in accordance with Section XI.C of this Compact.

5. The Tribal gaming operation shall maintain a closed circuit television system in accordance with the regulations set forth in Sections 6(2) and 6(3) of Appendix A, and shall not modify such regulations without the agreement of the State Gaming Agency. The Tribal gaming operation shall provide the Tribal Gaming Agency and the State Gaming Agency with copies of its floor plan and closed circuit television system and any modifications thereof, for review by the Tribal Gaming Agency. If the floor plan or closed circuit television system does not provide unobstructed camera views in accordance with such regulations, the Tribal Gaming Agency

shall modify such floor plan or closed circuit television system in order to remedy such deficiency. The Tribal Gaming Agency shall forward a copy of the final floor plan and closed circuit television system to the State Gaming Agency for review and consideration prior to final approval. In the event of a dispute, the matter will be handled in accordance with the provisions of Section XI.C of this Compact.

6. The Tribal gaming operation shall maintain a cashier's cage in accordance with the standards set forth in Section 7(3)(d) and Section 9 of Appendix A, and shall not modify such standards without the concurrence of the State Gaming Agency. The Tribal Gaming Agency and the State Gaming Agency may review cashier's cage security. If the cashier's cage does not comply with the security standards set forth in Appendix A, the Tribal operation shall modify its cashier's cage to remedy such deficiency. In the event of a dispute the matter will be handled in accordance with provisions of Section XI.C of this Compact.

7. The Tribal gaming operation shall provide the Tribal Gaming Agency and the State Gaming Agency with a description of its minimum requirements for supervisory staffing for each table gaming pit operated in its gaming facility. In the event that the State Gaming Agency regards such supervisory staffing as inadequate to protect the integrity of the table games, the Tribal Gaming Agency and State Gaming Agency shall promptly confer in good faith in an effort to reach agreement on supervisory staffing requirements. If agreement cannot be reached between the State Gaming Agency and the Tribal Gaming Agency, the dispute shall be handled in accordance with Section XI.C of this Compact.

**SECTION XI. REMEDIES FOR BREACH OF COMPACT PROVISIONS**

**A. Injunction Against the State**

If the Tribe believes the State, whether or not through the State Gaming Agency, is in breach or default or is otherwise acting contrary to, or failing to act in the manner required by any of the provisions of this Compact, the Tribe may seek injunctive or other relief in a court of competent jurisdiction.

**B. Injunction Against the Tribe, the Tribal Gaming Operation, or any Individual**

The State Gaming Agency may bring an action to enjoin the Tribe, the Tribal gaming operation, or any individual, if the State determines that any gaming operation authorized by the provisions of this Compact is being conducted in violation of the provisions of this Compact. If any Class III activity is being conducted by others elsewhere on Swinomish Tribal Lands in violation of the provisions of this Compact, the State may also seek to enjoin that activity. Such action shall be brought in the U.S. District Court, pursuant to 25 USC §2710(d)(7)(A)(ii). For the purpose of this remedy, the Tribe consents to such suit and waives any defense it may assert by way of its sovereign immunity.

**C. Dispute Resolution**

In addition to the other remedies and enforcement provisions elsewhere in this Compact and without prejudice to either party to seek injunctive relief against the other, the parties hereby establish a method of non-judicial dispute resolution in order to foster a spirit of cooperation and efficiency in the administration and monitoring of performance and compliance by each with the terms, provisions and conditions of

this Compact. Unless other procedures and time frames are elsewhere set forth in this Compact, in the event of a dispute or disagreement between the parties regarding the implementation of and compliance with this Compact where referenced herein or otherwise by mutual agreement of the parties, the dispute or disagreement shall be redressed as follows:

1. Either party shall give the other, as reasonably proximate to the event giving rise to the concern, a notice setting forth the issues to be resolved;

2. The parties shall meet and confer not later than ten (10) days from receipt of the notice;

3. If the dispute is not resolved to the satisfaction of either within twenty (20) days of the first meeting, either party may seek and cause to have the dispute resolved by and in accordance with the policies and procedures of the American Arbitration Association (AAA) of Seattle, Washington;

4. The hearing, unless another date is stipulated to by the parties, shall occur no later than fourteen (14) days from judge(s) selection. The hearing shall be before an AAA judge or judges of agreed selection by the parties, but in the event there is no agreement on selection of a judge or judges, then as selected by AAA;

5. The hearing shall occur at a time, place and location of mutual selection, but if such cannot be agreed to, then as selected by AAA;

6. The decision of AAA shall be final and unappealable. If the party against whom sanctions are sought is required to take curative or other conforming action and it is not performed or the

party does not expeditiously undertake to effect a cure, or if that party is not capable of an immediate remedy, then that failure shall be deemed a default and breach of the provision(s) of the Compact at issue.

7. The rules of pleading and procedure of the American Arbitration Association - Seattle for commercial disputes shall be used, unless the parties otherwise agree to other rules and procedures and document the same by an appendix to this Compact. Should AAA cease to provide these necessary functions, then the parties agree to substitute the services of the Judicial Arbitration and Management Service of Seattle, Washington, or another comparable and agreed-upon arbitration service.

D. Sanctions/Civil Fines

The following is a schedule of civil fines for any infraction of the provisions of the Compact sections set forth below. These penalties are set forth as maximums to be set within the reasonable discretion of the State Gaming Agency and charged and levied against the Tribe. The imposition of sanctions and fines or the event or circumstances occasioning the charge and the extent and amount of the penalty for the infraction, if contested by the Tribe, are subject to dispute resolution under Section XI.C. All such penalties are subject to disposition under Section XI.E.

1. Violation of Terms, Conditions and Provisions of Section III:

First and subsequent infractions: up to a maximum suspension of gaming operations within the facility not to exceed 5 days of operation (100 hours) per violation or the dollar

equivalent of the net win to the Tribe from operations for the number of days of suspension, all not to exceed 30 days.

2. Violation of Terms, Conditions and Provisions of Section IV - Non-Certified or Non-Licensed Gaming Employee(s), Manufacturer(s), Supplier(s), & Other Entities:

(a) Employees: First infraction: Fine equal to daily net win for each day of employment divided by the number of stations in play for each day of employment. Second and subsequent infractions (same person): One day's suspension (20 hours) of gaming operations for each day of employment or a fine equal to the net win for each day of employment;

(b) Manufacturers and suppliers: First infraction: Up to \$5,000.00; second and subsequent infractions: Up to \$20,000.00.

3. Violation of Terms, Conditions and Provisions of Section X and Appendix A - Violation of Same Provision:

(a) First infraction: written warning.

(b) Second infraction: up to \$250.00.

(c) Third infraction: up to \$500.00.

(d) Any subsequent violation: up to \$1,000.00.

All penalties listed in this subsection will be charged and monitored on a per-violation basis on an annual basis dating from the issuance of the written warning. Provided, during the first six (6) months of actual operation only written warnings will be issued.

E. Disposition of Civil Fines Collected

Any civil fines collected by the State Gaming Agency pursuant to the provisions of this Compact shall be disbursed at

the end of each fiscal year to the Washington State Council on Problem Gambling, a bona fide nonprofit organization. In the event the Washington State Council on Problem Gambling ceases to exist or substantially changes its purpose, then the parties agree to meet and in good faith designate a successor recipient bona fide nonprofit organization whose primary purposes are related to addressing the ills of compulsive and/or problem gambling within the State, Swinomish Tribal lands, and neighboring communities. Provided, in the event a dispute arises, it will be resolved pursuant to the arbitration provisions of Section XI.C. Any civil fines collected by the Tribal Gaming Agency pursuant to the provisions of this Compact shall be disbursed to the Tribe's alcohol, drug and gambling abuse program or, should such a program no longer be provided, to a law enforcement fund that is to be used by the Tribal Police Department for the exclusive purpose of enforcing the terms of this Compact.

**SECTION XII. TRIBAL REIMBURSEMENT FOR EXPENSES INCURRED BY THE STATE GAMING AGENCY**

**A. Reimbursement**

The Tribe shall reimburse the State Gaming Agency for all reasonable costs and expenses actually incurred by the State Gaming Agency in carrying out its responsibilities as authorized under the provisions of this Compact. Reimbursement shall be made for monitoring, investigative, and processing costs. With regard to administrative actions, reimbursement shall be made to the extent that costs incurred exceed the certification fees received. The State and Tribe recognize that comprehensive regulation is crucial

to the effective management of the gaming operation, but that reimbursement costs are difficult to estimate at the time of negotiation and execution of this Compact. The State acknowledges that reimbursement will be sought for reasonable and actual costs based on a need to protect the interests of the Tribe, the gaming patrons and the citizens of this State. The State Gaming Agency agrees to meet at least annually with the Tribal Gaming Agency to discuss any issues related to reimbursements from the Tribe, and to develop an estimate of the reimbursable costs to be sought during the next year, based on the information reasonably available to the parties at that time.

B. Procedure

The State shall submit a verified, detailed statement of costs and expenses, with supporting documentation, on a quarterly basis to the Tribal Gaming Agency. The Tribe shall reimburse the State Gaming Agency within thirty (30) days after the receipt of the statement. Except as provided herein, the State shall not levy any assessment against the Tribe.

C. Disputes

In the event a dispute arises, it will be resolved pursuant to Section XI.C of this Compact.

**SECTION XIII. PUBLIC HEALTH, SAFETY AND ENVIRONMENTAL PROTECTION**

A. Compliance

The Swinomish Tribal Community recognizes its obligation to protect the public health, safety and welfare and to comply with applicable health, safety and environmental laws. The number of persons permitted to engage in gaming at the tribal facility will

not exceed the number authorized by applicable safety, fire and building codes. The Tribe shall comply with and enforce standards no less stringent than those contained in the following laws, regulations and codes:

- Indian Health Service public health standards.
- All Federal laws establishing minimum standards for environmental protection.
- Applicable Environmental Protection Agency program standards and National Environmental Policy Act requirements.
- Federal water quality and safe drinking water standards.
- Uniform Building Code, including codes for electrical, fire and plumbing.
- Public health standards for food and beverage handling in accordance with U.S. Public Health Service requirements.
- Swinomish Tribal Codes and Ordinances regarding public health, safety, zoning and environmental protection standards, which standards are generally more restrictive than those enumerated above.

B. Emergency Service Accessibility

The Tribal Gaming Agency shall make provisions for adequate emergency accessibility and service.

C. Community Contribution

The Swinomish Tribe provides a Police Department and Tribal Court System that enforce criminal law and order codes against Swinomish Tribal members and other Indians and civil administrative codes against all persons within the Tribe's jurisdiction. The Tribe recognizes that adequate enforcement and the availability of support services and assistance is critical to

the safe operation of Class III gaming, and that the Class III gaming facility may impact surrounding local law enforcement agencies and services and place an increased burden on them. To that end, the Tribe shall establish a fund for the purpose of providing assistance to non-tribal law enforcement and other services and shall withhold on a quarterly basis 2.0% of the net win from the Class III gaming tables authorized by this Compact for this fund. Further, during the first year of operation, the Tribe shall, on a quarterly basis beginning three months from the date the facility opens to the public, distribute this fund to non-tribal enforcement and services agencies materially impacted by the Class III gaming operation. These funds shall be shared by all agencies materially impacted by the gaming operation based on evidence of impacts presented by each agency; provided, however, that the Skagit County Sheriff has agreed to hire one additional deputy so that monitoring, routine patrol and response services will be available to cover the gaming operation and to respond promptly as needed, and the first priority for the distribution of this fund will be to the Skagit County Sheriff in an amount sufficient to cover the cost of one additional deputy. The Skagit County Sheriff shall receive directly from the fund an amount sufficient to cover the expenses for this additional position, including salary, benefits, training and vehicle costs (currently estimated at \$50,000-\$60,000 annually). An additional priority will be to support with a substantial distribution, the medic one and other emergency services provided to the Tribe by the La Conner Fire Department.

A committee shall be established consisting of a representative of the Tribal Senate, the Swinomish Chief of Police, the Skagit County Sheriff, the local fire district to be represented by the chief of the La Conner fire department, and a representative of the State Gaming Agency. The committee may be expanded or changed by mutual agreement of the Tribal and State Gaming Agencies. The committee shall meet at least annually to review impacts, level of services provided, use of these funds, and to determine the distribution of the fund. Distributions after the first twelve (12) months of operation will be made based on a negotiated memorandum of understanding (MOU) between the Tribe and the impacted agencies providing services. The MOU shall, among other things, address the services to be provided during the following year by the impacted agencies. In the event of a dispute that cannot be resolved by agreement of the parties, either the State Gaming Agency or the Tribe may seek resolution through the arbitration provisions of Section XI of this Compact. No Class II gaming revenues or non-gaming revenues such as food, beverage, wholesale or retail sales shall be included within the budgeted 2.0% sum set forth in this section.

D. Community Relations and Support

The Tribal Gaming Agency agrees to be available to meet with neighboring communities to discuss any concerns regarding the impacts of the Class III gaming operation upon the neighboring communities.

E. Alcoholic Beverage Service

Standards for alcohol service shall be subject to applicable law.

**SECTION XIV. AMENDMENTS, DURATION AND EFFECTIVE DATE**

**A. Effective Date**

This Compact shall constitute the agreement between the State and the Tribe pursuant to I.G.R.A. and shall be amended and modified only pursuant to the provisions herein and shall take effect when notice of the Compact's approval by the Secretary of the Interior has been published in the Federal Register.

**B. Voluntary Termination**

This Compact shall be in effect until terminated by the written agreement of both parties. Provided, should the Tribe wish to cease Class III gaming operations, the Tribe may unilaterally terminate this Compact by submitting written notice sixty (60) days prior to the date of termination to the Governor of the State of Washington. Provided, State jurisdiction shall continue until the completion of any pending investigation or court action. Provided further, suspension or injunction of Class III gaming operations shall not constitute termination for the purpose of this subsection.

**C. Other Termination - Change of State Law**

If the laws of the State authorizing the activities set forth herein as Class III gaming activities are repealed prohibiting such gaming for any purpose by any person, organization or entity, it is the State's position that the provisions of this Compact providing for such gaming would not be authorized, that continued operation of such gaming would constitute a violation of the Compact, and that the State may bring an action in Federal District Court pursuant to 25 USC Section 2710(d)(7)(A)(ii).

The Tribe disagrees that such subsequent State legislation would have this effect under the I.G.R.A. and the Compact, but does agree that such an action, if commenced in that forum, is the appropriate State recourse and for such limited purpose the Tribe consents to such a suit and waives any defense it may assert by way of its sovereign immunity.

D. Amendments/Renegotiations

1. Amendments - Mutual

The terms and conditions of this Compact may be amended at any time by the mutual and written agreement of both parties.

2. Amendments - Contractual

The parties shall amend through renegotiation the wagering limitations, hours of operation, size and/or scope of Class III gaming as set forth in Section III above upon written notice and request by the Tribe to the State if and when:

(a) the laws of the State are amended, expanding gaming beyond that which is now allowed under the terms of this Compact;

(b) a State or Federal court within the State of Washington or a federal court interpreting the laws of the State of Washington issues a final and unappealable decision that permits participation in a gaming activity that was not authorized for any purpose by any person, organization or entity at the time this Compact was executed and is not authorized by this Compact; or

(c) another Tribe within the Point Elliott, Point-No-Point and/or Medicine Creek Treaty areas obtains through a compact approved by the Secretary of the U.S. Department of the Interior, a greater level of wagering, hours of operation, size

and/or scope of Class III gaming activities, than are authorized by the provisions of this Compact.

3. Renegotiation - Tribe

The parties shall renegotiate the nature and/or scope of Class III gaming as set forth in Section III above upon the written notice and request by the Tribe to the State if and when:

(a) laws in the State are enacted allowing gaming which is now prohibited; or

(b) the Tribe wishes to engage in other forms of Class III gaming other than those games authorized in Section III.A, including a Tribal lotto/lottery, off-track betting and/or horse racing track and facility.

4. Renegotiation - Either Party

At any time after thirty six (36) months from the date of opening the gaming facility authorized under this Compact, either the Tribe or the State may request renegotiation of any of the provisions of this Compact if and when circumstances or events unforeseen or not adequately addressed at the time of the negotiation and execution of this Compact occur that merit the discussion and renegotiation of such provisions. The request to renegotiate shall include the activities or circumstances the party wishes to negotiate, together with a statement of the basis supporting the request. The parties agree that negotiations shall commence within thirty (30) days of the request. The original terms and provision of the Compact will remain in effect unless and until the parties agree on the renegotiated terms.

5. Compact Clarification and Modification

The parties recognize that circumstances may arise in implementation, operation, and regulation of the Class III gaming facility that require minor modification or clarification of Compact provisions. For such non-substantive and agreed-upon clarification or modification, the State and the Tribe will execute and sign a Memorandum of Understanding that will be attached to and made part of this Compact.

6. Renegotiation - State

The parties shall renegotiate Sections IV, V, VII, X and XIII upon the written notice and request by the State to the Tribe if and when circumstances and events unforeseen at the time of the negotiation and execution of this Compact occur meriting discussion and renegotiation of such provisions. Provided, however, if any renegotiation of Section XIII would require additional expenditures of Tribal funds, then the source and origin of such funds must be addressed and resolved. If the renegotiations are unsuccessful, then the matter shall be resolved pursuant to Section XI.C which in this instance shall be mandatory and binding.

7. Process and Negotiation Standards

The notices to amend or renegotiate shall include the activities or circumstances to be negotiated together with a statement of the basis supporting the request. If the request meets the requirements of this sub-section or proviso, the parties shall confer, and the required negotiations shall commence within thirty (30) days of the request. All matters involving negotiations or other amendatory processes under Section XIV shall be otherwise governed, controlled and conducted in conformity with

the provisions and requirements of 25 USC Section 2710(d), except the delegation of the actual resolution of an unsettled dispute under Section XIV.D.6.

**SECTION XV.     NOTICES**

Unless otherwise indicated by this Compact, all notices required or authorized to be served shall be served by certified mail or be delivered by other expedited services which require a signature for receipt at the following addresses:

Governor  
State of Washington  
State Capitol  
Olympia, Washington 98504

Chairman  
Swinomish Indian Tribal Community  
P.O. Box 817  
La Conner, Washington 98257

Director  
Washington State Gambling Commission  
P.O. Box 42400  
Olympia, Washington 98504-2400

**SECTION XVI. SEVERABILITY**

In the event that any Section or provision of this Compact is held invalid, or its application to any particular activity held invalid, it is the intent of the parties that the remaining Sections of the Compact, and the remaining applications of such Section or provision shall continue in full force and effect.

IN WITNESS WHEREOF, the Swinomish Indian Tribal Community and the State of Washington have executed this compact.

**SWINOMISH INDIAN TRIBAL COMMUNITY**

BY: Robert Joe Sr. 12-21-92  
Robert Joe, Sr. Date  
Chairman

**STATE OF WASHINGTON**

BY: [Signature] 12-21-92  
Governor Date

**APPENDIX A**

**SWINOMISH INDIAN TRIBAL COMMUNITY - STATE OF WASHINGTON**

**CLASS III GAMING COMPACT**

**STANDARDS OF OPERATION AND MANAGEMENT**

**FOR CLASS III ACTIVITIES**

## STANDARDS OF OPERATION AND MANAGEMENT FOR CLASS III ACTIVITIES

### 1. DEFINITIONS

In these standards, unless the context indicates otherwise:

"Accounting Department" is that established in the tribal gaming operation's system of organization in accordance with these standards;

"Cage Cashiers" are the cashiers performing any of the functions in the Cashier's Cage as set forth in these standards;

"Cash Equivalent" means a treasury check, personal check, travelers check, wire transfer of funds, money order, certified check, cashiers check, a check drawn on the tribal gaming operation payable to the patron or to the tribal gaming operation, or a voucher recording cash drawn against a credit card or charge card;

"Chief Operating Officer" is the senior executive of the tribal gaming operation exercising the overall management or authority over all the operations of the tribal gaming operation and the carrying out by employees of the tribal gaming operation of their duties;

"Closer" means the original of the table inventory slip upon which each table inventory is recorded at the end of each shift;

"Tribal Gaming Agency" means the Swinomish Indian Tribal Community Gaming Commission;

"Compact" means the Swinomish Indian Tribal Community - State of Washington Gaming Compact adopted pursuant to the Indian Gaming Regulatory Act, 25 USC §2701 et seq.;

"Credit Slip" (known as a "Credit") is the document reflecting the removal of gaming chips and coins from a gaming station in accordance with these standards;

"Drop Box" is the metal container attached to a gaming station for deposit of cash and certain documents received at a gaming station as provided by these standards;

"Fill Slip" (known as a "Fill") is the document reflecting the distribution of gaming chips and coins to a gaming station as provided in these standards;

"Gaming Facility" means any gaming facility as defined in the Compact in which a tribal gaming operation is conducted;

"Gaming Facility Supervisor" is a reference to a person in a supervisory capacity and required to perform certain functions under these standards, including but not limited to, Pit Bosses, Gaming Facility Shift Managers, the Assistant Gaming Facility Manager and the Gaming Facility Manager;

"Imprest Basis" means the basis on which Cashier's Cage funds are replenished from time to time by exactly the amount of the net expenditures made from the funds and amounts received and in which a review of the expenditure is made by a higher authority before replenishment;

"Incompatible Function" means a function, for accounting and internal control purposes, that places any person or department in a position to both perpetrate and conceal errors or irregularities in the normal course of his or her duties. Anyone both recording transactions and having access to the relevant assets is in a position to perpetrate errors or irregularities.

"Independent Accountant" means a professional accountant suitably qualified and sufficiently independent to act as auditor of the tribal gaming operation;

"Inspector" means an employee of the Tribal Gaming Agency duly appointed by the agency as an inspector;

"Master Game Report" means a record of the computation of the win or loss for each gaming station, each game, and each shift;

"Opener" means the duplicate copy of the table inventory slip upon which each table inventory is recorded at the end of each shift and serves as the record of each table inventory at the beginning of the next succeeding shift;

"Pit" means the area enclosed or encircled by an arrangement of gaming stations in which gaming facility personnel administer and supervise the games played at the tables by the patrons located on the outside perimeter of the area;

"Request for Credit" is the document reflecting the authorization for preparation of a credit with respect to removal of gaming chips and coins from a gaming station in accordance with these standards;

"Request for Fill" is the document reflecting the request for the distribution of gaming chips and coins to a gaming station as provided in these standards;

"Security Department Member" means any person who is a member of the Security Department as provided in the organization of the tribal gaming operation in accordance with these standards;

"State Gaming Agency" means the state agency responsible for review of the tribal gaming operation in accordance with the provisions of the Compact;

"Table Game Drop" means the sum of the total amounts of currency and coin removed from a drop box;

"Table Game Win or Loss" is determined by adding the amount of cash or coin, the amount recorded on the closer, removed from a drop box, plus credits, and subtracting the amount recorded on the opener and the total of the amounts recorded on fills removed from a drop box;

"Tribal Gaming Operation" means the Class III gaming operation involving games authorized under Section III.A of the Compact.

## 2. ACCOUNTING RECORDS

- (1) The tribal gaming operation shall maintain complete accurate and legible records of all transactions relating to the revenues and costs of the gaming operation.
- (2) General accounting records shall be maintained on a double entry system of accounting with transactions recorded on the accruals basis, and detailed, supporting, subsidiary records, sufficient to meet the requirements of paragraph (4).
- (3) The forms of accounts adopted should be of a standard form which would ensure consistency, comparability, and effective disclosure of financial information.
- (4) The detailed, supporting and subsidiary records shall include, but not necessarily be limited to:
  - (a) Records of all patrons' checks initially accepted, deposited, and returned as "Uncollected", and ultimately written off as "Uncollectible";
  - (b) Statistical game records to reflect drop and win amounts for each station, for each game, and for each shift;
  - (c) Records of investments in property and services, including equipment used directly in connection with the operation of Class III gaming;
  - (d) Records of amounts payable by the tribal gaming operation; and
  - (e) Records which identify the purchase, receipt and destruction of gaming chips used in wagering.

- (5) All accounting records shall be kept for a period not less than two (2) years from their respective dates.

3. SYSTEM OF INTERNAL CONTROL

- (1) The tribal gaming operation shall submit to the Tribal Gaming Agency and the State Gaming Agency a description of its system of internal procedures and administrative and accounting controls before gaming operations are to commence.
- (2) Each such submission shall contain both narrative and diagrammatic representation of the internal control system to be utilized by the tribal gaming operation.
- (3) The submission required by paragraph (1) shall be signed by the executive responsible for its preparation and shall be accompanied by a report of an independent accountant stating that the submitted system conforms in all respects to the principles of internal control required by these standards.

4. FORMS, RECORDS, DOCUMENTS AND RETENTION

- (1) All information required by these standards is to be placed on a form, record or document or in stored data in ink or other permanent form.
- (2) Whenever duplicate or triplicate copies are required of a form, record or document:
  - (a) The original, duplicate and triplicate copies shall be color coded.
  - (b) If under these standards, forms, records, and documents are required to be inserted in a locked dispenser, the last copy shall remain in a continuous unbroken form in the dispenser; and
  - (c) If under these standards, forms or serial numbers of forms are required to be accounted for or copies of forms are required to be compared for agreement and exceptions noted, such exceptions shall be reported immediately in writing to the Tribal Gaming Agency for investigation.
- (3) Unless otherwise specified in these standards or exempted by the Tribal Gaming Agency, all forms, records, documents and stored data required to be prepared, maintained and controlled by these standards shall:

- (a) Have the title of the form, record, document, or stored data imprinted or pre-printed thereon or therein;
- (b) Be located on Swinomish Tribal Lands or such other location as is approved by the Tribal Gaming Agency; and
- (c) Be retained for a period of at least two (2) years in a manner that assures reasonable accessibility to inspectors of the Tribal Gaming Agency and personnel of the State Gaming Agency.

5. ANNUAL AUDIT AND OTHER REPORTS

- (1) The tribal gaming operation shall, at its own expense, cause its annual financial statements to be audited in accordance with generally accepted auditing standards by an independent accountant.
- (2) The annual financial statements shall be prepared on a comparative basis for the current and prior calendar or fiscal year and shall present the financial position and results of operations in conformity with generally accepted accounting principles.
- (3) Two copies of the audited financial statements, together with the report thereon of the tribal gaming operation's independent accountant shall be filed with the Tribal Gaming Agency and with the State Gaming Agency not later than 120 days following the end of the calendar or fiscal year. Extensions may be granted by the Tribal Gaming Agency for extenuating circumstances.
- (4) The tribal gaming operation shall require its independent accountant to render the following additional reports:
  - (a) A report on material weakness in accounting and internal controls. Whenever, in the opinion of the independent accountant, there exists no material weaknesses in accounting and internal controls, the report shall say so; and
  - (b) A report expressing the opinion of the independent accountant that, based on his or her examination of the financial statements, the tribal gaming operation has followed, in all material respects, during the period covered by his or her examination, the system of accounting and internal control on file with the Tribal Gaming Agency. Whenever, in the opinion of the independent accountant, the tribal gaming operation has deviated from the system of accounting and internal controls filed with the Tribal Gaming Agency,

or the accounts, records, and control procedures examined are not maintained by the tribal gaming operation in accordance with the Compact and these standards, the report shall enumerate such deviations regardless of materiality, the areas of the system no longer considered effective and shall make recommendations in writing regarding improvements in the system of accounting and internal controls.

- (5) Two copies of the reports required by paragraph (4) and two copies of any other reports on accounting and internal control, administrative controls, or other matters relating to the tribal gaming operation's accounting or operating procedures rendered by the tribal gaming operation's independent accountant, shall be filed with the Tribal Gaming Agency and with the State Gaming Agency by the tribal gaming operation within 120 days following the end of each fiscal year or within thirty (30) days of receipt whichever is earlier. Provided, extensions may be granted for extenuating circumstances by the Tribal Gaming Agency.

6. CLOSED CIRCUIT TELEVISION SYSTEM

- (1) The tribal gaming operation shall install a closed circuit television system according to the following specifications.
- (2) The closed circuit television system shall include, but need not be limited to the following:
  - (a) Light sensitive cameras some with zoom, scan and tilt capabilities to effectively and clandestinely monitor in detail and from various vantage points, the following:
    - (i) The gaming conducted at each gaming station in the gaming facility and the activities in the gaming facility pits;
    - (ii) The operations conducted at and in the cashier's cage;
    - (iii) The count processes conducted in the count rooms in conformity with these standards;
    - (iv) The movement of cash, gaming chips, drop boxes, and drop buckets in the establishment;
    - (v) The entrances and exits to the gaming facility and the count rooms; and
    - (vi) Such other areas as the Tribal Gaming Agency designates.

- (b) Video units with time and date insertion capabilities for taping what is being viewed by any camera of the system; and
  - (c) One or more monitoring rooms in the establishment which shall be in use at all times by the employees of the security department assigned to monitor the activities in the gaming facility and which may be used as necessary by the inspectors of the Tribal Gaming Agency and agents of the State Gaming Agency; and
  - (d) Audio capability in the count rooms.
- (3) Adequate lighting shall be present in all areas, including gaming stations and pits, where closed circuit camera coverage is required.
  - (4) The tribal gaming operation shall be required to maintain a surveillance log of all surveillance activities in the monitor room. The log shall be maintained by monitor room personnel and shall include, at a minimum, the following:
    - (a) Date and time of surveillance;
    - (b) Person initiating surveillance;
    - (c) Reason for surveillance;
    - (d) Time of termination of surveillance;
    - (e) Summary of the results of the surveillance;
    - (f) A record of any equipment or camera malfunctions.
  - (5) The surveillance log shall be available for inspection at any time by inspectors of the Tribal Gaming Agency and agents of the State Gaming Agency.
  - (6) Video or audio tapes shall be retained for at least seven (7) days and at least thirty (30) days in the case of tapes of evidentiary value, or for such longer period as the Tribal Gaming Agency or the State Gaming Agency may require.
  - (7) Entrances to the closed circuit television monitoring rooms shall not be visible from the gaming facility area.

7. ORGANIZATION OF THE TRIBAL GAMING OPERATION

- (1) The tribal gaming operation shall have a system of internal control that includes the following:

- (a) Administrative control, which includes but is not limited to the plan of organization and the procedures and records that are concerned with the decision processes leading to management's authorization of transactions; and
  - (b) Accounting control which includes the plan of organization and the procedures and records that are concerned with the safeguarding of assets and the reliability of financial records and are consequently designed to provide reasonable assurance that:
    - (i) Transactions are executed in accordance with the management's general and specific authorization which shall include the requirements of these standards;
    - (ii) Transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and with these standards, and to maintain accountability for assets;
    - (iii) Access to assets is permitted only in accordance with management's authorization which shall include the requirements of these standards; and
    - (iv) The recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences.
- (2) The tribal gaming operation's system of internal control shall provide for:
- (a) Competent personnel with an understanding of prescribed procedures; and
  - (b) The segregation of incompatible functions so that no employee is in a position to perpetrate and conceal errors or irregularities in the normal course of his or her duties.
- (3) The tribal gaming operation shall, at a minimum, establish the following departments:
- (a) A security department supervised by the head of the security department who shall co-operate with, yet perform independently of, all other departments and shall report directly to the Chief Operating Officer of the tribal gaming operation regarding matters of policy, purpose, and responsibilities. The head of security shall be responsible for, but not limited to the following:

- (i) The clandestine surveillance of the operation and conduct of the table games;
- (ii) The clandestine surveillance of the operation of the cashier's cage;
- (iii) The video and audio taping of activities in the count rooms;
- (iv) The detection of cheating, theft, embezzlement, and other illegal activities in the gaming facility, count rooms, and cashier's cage;
- (v) The video taping of illegal and unusual activities monitored; and
- (vi) The notification of appropriate gaming facility supervisors, and the Tribal Gaming Agency upon the detection and taping of cheating, theft, embezzlement, or other illegal activities.
- (vii) Security Department to control issue, collection and storage of cards, shoes, dice and other gaming devices deemed appropriate, and to control disposition and/or destruction of same.

No present or former surveillance department employee shall be employed in any other capacity in the tribal gaming operation unless the Tribal Gaming Agency, upon petition approves such employment in a particular capacity upon a finding that: (i) one year has passed since the former surveillance department employee worked in the surveillance department; and (ii) surveillance and security systems will not be jeopardized or compromised by the proposed employment of the former surveillance department employee in the capacity proposed; and (iii) errors, irregularities, or illegal acts cannot be perpetrated and concealed by the former surveillance department employee's knowledge of the surveillance system in the capacity in which the former surveillance department employee will be employed.

- (b) A gaming facility department supervised by a gaming facility manager who shall perform independently of all other departments and shall report directly to the chief operating officer. The gaming facility manager shall be responsible for the operation and conduct of all Class III activities conducted in the gaming facility.
- (c) A gaming facility accounting department supervisor who shall report directly to the chief operating officer.

The supervisor responsibilities shall include, but not be limited to, the following:

- (i) accounting controls;
  - (ii) the preparation and control of records and data required by these standards;
  - (iii) the control of stored data, the supply of unused forms, the accounting for and comparing of forms used in the gaming operating and required by these standards; and
  - (iv) the control and supervision of the cashier's cage.
- (d) A cashier's cage supervised by a cage supervisor who shall supervise cage cashiers and co-operate with, yet perform independently of, the gaming facility and security departments, and shall be under the supervision of, and report directly to the chief operating officer. The cashier's cage shall be responsible for, but not limited to the following:
- (i) the custody of currency, coin, patron checks, gaming chips, and documents and records normally associated with the operation of a cashier's cage;
  - (ii) the approval, exchange, redemption and consolidation of patron checks received for the purpose of gaming in conformity with the gaming operation's standards;
  - (iii) the receipt, distribution and redemption of gaming chips in conformity with these standards; and
  - (iv) such other functions normally associated with the operation of a cashier's cage.
- (4) The tribal gaming operation's personnel shall be trained in all accounting and internal control practices and procedures relevant to each employee's individual function. Special instructional programs shall be developed by the tribal gaming operation in addition to any on-the-job instruction sufficient to enable all members of the departments required by this standard to be thoroughly conversant and knowledgeable with the appropriate and required manner of performance of all transactions relating to their function.

8. PERSONNEL ASSIGNED TO THE OPERATION AND CONDUCT OF CLASS III GAMING ACTIVITIES

- (1) Table games shall be operated by dealers or croupiers who shall be the persons assigned to each gaming station as authorized under Section III.A of the Compact.
- (2) A pit boss shall be the supervisor assigned the responsibility for the overall supervision of the operation and conduct of gaming at the table games played within a single pit and shall oversee any intermediate supervisors assigned by the tribal gaming operation to assist in supervision of table games in the pit.
- (3) A gaming facility shift manager shall be the supervisor assigned to each shift with the responsibility for the supervision of table games conducted in the gaming facility. In the absence of the gaming facility manager, the gaming facility shift manager shall have the authority of a gaming facility manager.
- (4) Nothing in this standard shall be construed to limit the tribal gaming operation from utilizing personnel in addition to those described herein.

9. CASHIER'S CAGE

- (1) As part of the gaming operation there shall be on or immediately adjacent to the gaming floor a physical structure known as the cashier's cage ("cage") to house the cashiers and to serve as the central location for the following:
  - (a) The custody of the cage inventory comprising currency, coin, patron checks, gaming chips, forms, documents and records normally associated with the operation of a cage;
  - (b) the approval of patron checks for the purpose of gaming in conformity with these standards;
  - (c) the receipt, distribution, and redemption of gaming chips in conformity with these standards; and
  - (d) such other functions normally associated with the operation of a cage.
- (2) The tribal gaming operation shall have a reserve cash bankroll in addition to the imprest funds normally maintained by the cashier's cage, on hand in the cashier's cage or readily available to the cashier's cage at the opening of every shift in a minimum amount established by the tribal gaming operation.

- (3) The cage shall be designed and constructed to provide maximum security including, at a minimum, the following:
  - (a) An enclosed structure except for openings through which items such as gaming chips, checks, cash, records, and documents can be passed to service the public and gaming stations;
  - (b) Manually triggered silent alarm systems connected directly to the monitoring rooms of the closed circuit television system and the security department office;
  - (c) Access shall be through a locked door.
    - (i) The system shall have closed circuit television coverage which shall be monitored by the gaming facility security department.
- (4) The tribal gaming operation shall place on file with the Tribal Gaming Agency the names of all persons authorized to enter the cage, those who possess the combination or the keys or who control the mechanism to open the locks securing the entrance to the cage, and those who possess the ability to operate the alarm systems.

10. ACCOUNTING CONTROLS WITHIN THE CASHIER'S CAGE

- (1) The assets for which the cashiers are responsible shall be maintained on an imprest basis. At the end of each shift, the cashiers assigned to the outgoing shift, shall record on a cashier's count sheet the face value of each cage inventory item counted and the total of the opening and closing cage inventories and shall reconcile the total closing inventory with the total opening inventory.
  - (a) Cashiers functions shall be, but are not limited to the following:
    - (i) Receive cash, checks, and gaming chips from patrons for check consolidations, total or partial redemptions or substitutions;
    - (ii) Receive gaming chips from patrons in exchange for cash;
    - (iii) Receive travelers checks and other cash equivalents from patrons in exchange for currency or coin;
    - (iv) Receive documentation with signatures thereon, required to be prepared for the effective segregation of functions in the cashier's cage; and

- (v) Receive from security department members, chips and coins removed from gaming stations in exchange for the issuance of a credit;
  - (vi) Receive from security department members, requests for fills in exchange for the issuance of a fill and the disbursal of gaming chips;
  - (vii) Receive cash from the coin and currency count rooms;
  - (viii) Prepare the overall cage reconciliation and accounting records; and
  - (ix) Perform such other functions as necessary to ensure proper accountability consistent with these standards.
  - (x) The tribal gaming operation in its discretion may utilize the necessary number of independent cashiers to ensure compliance with these standards.
- (3) Signatures attesting to the accuracy of the information contained on the following sheets shall be, at a minimum:
- (a) On the cashiers count sheet, the fill bank closeout sheet, and the main bank closeout sheet, the signatures of the cashiers assigned to the incoming and outgoing shifts.
- (4) At the conclusion of gaming activity each day, at a minimum, copies of the cashier's count sheet, recapitulation, fill, main, and related documentation, shall be forwarded to the accounting department for agreement of opening and closing inventories, and agreement of amounts thereon to other forms, records and documentation required by these standards or for the recording of transactions.

#### 11. DROP BOXES

- (1) Each gaming station in a gaming facility shall have attached to it a metal container known as a "Drop Box", in which shall be deposited all cash, duplicate fills and credits, requests for fills and credits, and station inventory forms.
- (2) Each drop box shall have:
  - (a) One separate lock securing the contents placed into the drop box, the key to which shall be different from any other key;

- (b) A separate lock securing the drop box to the gaming stations, the key to which shall be different from the key to the lock securing the contents of the drop box;
  - (c) An opening through which currency, coins, forms, records and documents can be inserted into the drop box;
  - (d) Permanently imprinted or impressed thereon, and clearly visible a number corresponding to a permanent number on the gaming station to which it is attached, and a marking to indicate game and shift, except that emergency drop boxes may be maintained without such number or marking, provided the word "emergency" is permanently imprinted or impressed thereon and, when put into use, are temporarily marked with the number of the gaming station and identification of the game and shift.
- (3) The key utilized to unlock the drop boxes from the gaming stations shall be maintained and controlled by the security department.
  - (4) The key to the lock securing the contents of the drop boxes shall be maintained and controlled by the Tribal Gaming Agency.

12. DROP BOXES, TRANSPORTATION TO AND FROM GAMING STATIONS AND STORAGE IN THE COUNT ROOM

- (1) All drop boxes removed from the gaming stations shall be transported, at a minimum, by one security department member and one employee of the tribal gaming operation directly to, and secured in, the count room.
- (2) All drop boxes, not attached to a gaming station, shall be stored in the count room in an enclosed storage cabinet or trolley and secured in such cabinet or trolley by a separately keyed, double locking system. The key to one lock shall be maintained and controlled by the security department and the key to the second lock shall be maintained and controlled by the Tribal Gaming Agency inspector.
- (3) Drop boxes, when not in use during a shift may be stored on the gaming stations provided that there is adequate security. If adequate security is not provided during this time, the drop boxes shall be stored in the count room in an enclosed storage cabinet or trolley as required in paragraph (2).

13. PROCEDURE FOR EXCHANGE OF CHECKS SUBMITTED BY GAMING PATRONS

- (1) Except as otherwise provided in this section, no employee of the tribal gaming operation, and no person acting on behalf of or under any arrangement with the tribal gaming operation, shall make any loan, or otherwise provide or allow to any person any credit or advance of anything of value or which represents value to enable any person to take part in gaming activity as a player; provided, that nothing in these standards shall restrict the use of any automatic device for providing cash advances on patrons' credit cards or bank cards in accordance with normal commercial practices; Provided further, that nothing in these standards shall restrict the use of patron checks when utilized in accordance with these standards.
- (2) All personal checks sought to be exchanged in the tribal facility by a patron shall be:
  - (a) Drawn on a bank and payable on demand;
  - (b) Drawn for a specific amount;
  - (c) Made payable to the tribal gaming operation; and
  - (d) Currently dated, but not post dated.
- (3) All checks sought to be exchanged at the cashiers' cage shall be:
  - (a) Presented directly to the cashier who shall:
    - (i) Restrictively endorse the check "for deposit only" to the tribal gaming operation's bank account;
    - (ii) Initial the check;
    - (iii) Date and time stamp the check;
    - (iv) Immediately exchange the check for currency and coin in an amount equal to the amount for which the check is drawn; and
    - (v) Forward all patron checks to the main bank cashier.
- (4) Prior to acceptance of a travelers check from a patron, the general cashier shall verify its validity by:
  - (a) Requiring the patron to countersign the travelers check in his or her presence;

- (b) Comparing the countersignature with the original signature on the travelers check;
  - (c) Examining the travelers check for any other signs of tampering, forgery or alteration; and
  - (d) Performing any other procedures which the issuer of the travelers check requires in order to indemnify the acceptor against loss.
- (5) Prior to the acceptance of any tribal gaming operation check from a patron, a general cashier shall examine that patron's identification credentials to ensure the patron's identity and shall maintain documentation supporting that examination.
- (6) A person may obtain cash at the cashier's cage to be used for gaming purposes by presenting a recognized credit card to a general cashier. Prior to the issuance of cash to a person, the general cashier shall verify through the recognized credit card company the validity of the person's credit card, or shall verify through a recognized electronic funds transfer company which, in turn, verifies through the credit card company the validity of the person's credit card, and shall obtain approval for the amount of cash the person has requested. The general cashier shall then prepare such documentation as required by the tribal gaming operation to evidence such transactions and to balance the imprest fund prior to the issuance of the cash.

14. PROCEDURE FOR DEPOSITING CHECKS RECEIVED FROM GAMING PATRONS

- (1) All checks received in conformity with these standards shall be deposited in the tribal gaming operation's bank account in accordance with the tribal gaming operations normal business practice, but in no event later than seven (7) days after receipt.
- (2) In computing a time period prescribed by this section, the last day of the period shall be included unless it is a Saturday, Sunday, or a state or federal holiday, in which event the time period shall run until the next business day.
- (3) Any check deposited into a bank will not be considered clear until a reasonable time has been allowed for such check to clear the bank.

15. PROCEDURE FOR COLLECTING AND RECORDING CHECKS RETURNED TO THE GAMING OPERATION AFTER DEPOSIT

- (1) All dishonored checks returned by a bank ("returned checks") after deposit shall be returned directly to, and controlled by accounting department employees.
- (2) No person other than one employed within the accounting department may engage in efforts to collect returned checks except that a collection company or an attorney-at-law representing the tribal gaming operation may bring action for such collection. Any verbal or written communication with patrons regarding collection efforts, shall be documented in the collection section.
- (3) Continuous records of all returned checks shall be maintained by accounting department employees. Such records shall include, at a minimum, the following:
  - (a) The date of the check;
  - (b) The name and address of the drawer of the check;
  - (c) The amount of the check;
  - (d) The date(s) the check was dishonored;
  - (e) The date(s) and amount(s) of any collections received on the check after being returned by a bank.
- (4) A check dishonored by a bank may be immediately redeposited if there is sufficient reason to believe the check will be honored the second time.
- (5) If a check is dishonored a second time, the name of the person who submitted the check shall be kept in a log, and available to the cashier. Such person shall be prohibited from submitting a future check until the amount owed is paid in full.

16. PROCEDURE FOR ACCEPTING CASH AT GAMING STATIONS

- (1) The cash shall be spread on the top of the gaming station by the croupier or dealer, accepting it in full view of the patron who presented it and the facility supervisor specifically assigned to such gaming station.
- (2) The amount of cash shall be announced by the croupier or dealer accepting it in a tone of voice calculated to be heard by the patron who presented the cash and the facility supervisor specifically assigned to such gaming station. All cash changes of \$50.00 or over to be verified by supervisor.

- (3) Immediately after an equivalent amount of gaming chips has been given to the patron, the cash shall be taken from the top of the gaming station and placed by the croupier or dealer into the drop box attached to the gaming station.

17. ACCEPTANCE OF GRATUITIES FROM PATRONS

- (1) No tribal gaming operation employee directly concerned with management, accounting, security and surveillance shall solicit or accept any tip or gratuity from any player or patron.
- (2) The tribal gaming operation shall establish a procedure for accounting for all tips received by other gaming employees.
- (3) Upon receipt from a patron of a tip, a croupier or dealer assigned to a gaming station shall tap the table or wheel and extend his or her arm to show the pit boss that he has received a tip and immediately deposit such tip in the tip box. Tips received shall be retained by employees or pooled among employees in such manner as determined by the tribal gaming operation.

18. ADOPTION OF RULES FOR CLASS III ACTIVITIES

- (1) The tribal gaming operation shall submit for approval to the Tribal Gaming Agency rules to govern the conduct of Class III activities operated in the tribal gaming facility. Copies of game rules in effect, from time to time, shall be provided to the State Gaming Agency in accordance with Section X of the Compact. Summaries of the rules of each game relevant to the method of play and odds paid to winning bets shall be visibly displayed in the gaming facility and betting limits applicable to any gaming station shall be displayed at such gaming station. Game rules adopted by the Tribal Gaming Agency shall include in addition to the rules of play:
  - (a) Specifications provided by the equipment manufacturer or supplier applicable to gaming equipment:
    - (i) Physical characteristics of chips; and
    - (ii) Physical characteristics of the following:
      - (A) roulette tables;
      - (B) roulette balls;
      - (C) roulette wheels;

- (D) cards (including procedures for receipt and storage);
- (E) blackjack tables;
- (F) blackjack layouts;
- (G) poker tables;
- (H) dice (including procedures for receipt and storage);
- (I) craps tables;
- (J) craps layouts;
- (K) money wheels;
- (L) money wheel layouts;
- (M) baccarat and mini-baccarat tables;
- (N) baccarat and mini-baccarat layouts;
- (O) chuck-a-luck tables;
- (P) chuck-a-luck layouts;
- (Q) red dog tables;
- (R) red dog layouts;
- (S) beat the dealer layouts;
- (T) pai-gow tables and layouts;
- (U) dealing shoes (including procedures for receipts and storage);
- (V) bill changer devices;
- (W) such other equipment as may be required for use in otherwise authorized Class III activities.

(2) Rules for each authorized game, to include:

- (a) Procedures of play;
- (b) Minimum and maximum permissible wagers;
- (c) Shuffling, cutting and dealing techniques, as applicable;

- (d) Payout odds on each form of wager;
- (e) Procedures to be followed on occurrence of irregularities, including definition of irregularities as applicable to each game; and
- (f) Prohibitions on side betting between and against player and against the house.

19. STATION INVENTORIES AND PROCEDURE FOR OPENING STATIONS FOR GAMING

- (1) Whenever a gaming station is opened for gaming, operations shall commence with an amount of gaming chips and coins to be known as the "Station Inventory" and the tribal gaming operation shall not cause or permit gaming chips or coins to be added to or removed from such station inventory during the gaming day except:
  - (a) In exchange for cash;
  - (b) In payment of winning wagers and collection of losing wagers made at such gaming station;
  - (c) In exchange for gaming chips received from a patron having an equal aggregate face value; and
  - (d) In conformity with the fill and credit procedures described in these standards.
- (2) Each station inventory and the station inventory slip prepared in conformity with the procedures set forth in these standards shall be stored during non-gaming hours in a separate locked, clear container which shall be clearly marked on the outside with the game and the gaming station number to which it corresponds. The information on the station inventory slip shall be visible from the outside of the container. All containers shall be stored either in the cashier's cage during non-gaming hours or secured to the gaming station subject to arrangements for security approved by the Tribal Gaming Agency.
- (3) The keys to the locked containers containing the station inventories shall be maintained and controlled by the gaming facility department in a secure place and shall at no time be made accessible to any cashier's cage personnel or to any person responsible for transporting such station inventories to or from the gaming stations.
- (4) Whenever gaming stations are to be opened for gaming activity, the locked container securing the station inventory and the station inventory slip shall be unlocked by the gaming facility supervisor assigned to such station.

- (5) A croupier or dealer assigned to the gaming station shall count the contents of the container in the presence of the gaming facility supervisor assigned to such station and shall agree the count to the opener removed from the container.
- (6) Signatures attesting to the accuracy of the information on the opener shall be placed on such opener by the croupier or dealer assigned to the station and the gaming facility supervisor that observed the croupier or dealer count the contents of the container.
- (7) Any discrepancy between the amount of gaming chips and coins counted and the amount of the gaming chips and coins recorded on the opener, shall be immediately reported to the gaming facility manager, assistant gaming facility manager, or gaming facility shift manager in charge at such time, the security department and the Tribal Gaming Agency inspector verbally. Security will complete the standard security report in writing and immediately forward a copy to the Tribal Gaming Agency.
- (8) After the count of the contents of the container and the signing of the opener, such slip shall be immediately deposited in the drop box attached to the gaming station by the croupier or dealer after the opening of such station.

20. PROCEDURE FOR DISTRIBUTING GAMING CHIPS AND COINS TO GAMING STATIONS

- (1) A request for fill ("Request") shall be prepared by a gaming facility supervisor to authorize the preparation of a fill slip ("Fill") for the distribution of gaming chips and coins to gaming stations. The request shall be prepared in a duplicate form and restricted to gaming facility supervisors.
- (2) On the original and duplicate of the request, the following information, at a minimum, shall be recorded:
  - (a) The date, time and shift of preparation;
  - (b) The denomination of gaming chips or coins to be distributed to the gaming stations;
  - (c) The total amount of each denomination of gaming chips or coins to be distributed to the gaming stations;
  - (d) The game and station number to which the gaming chips or coins are to be distributed.
  - (e) The signature of the gaming facility supervisor; and

- (f) The signature of the security department member.
- (3) After preparations of the request, the original of such request shall be transported directly to the cashier's cage.
  - (4) The duplicate copy of the request shall be placed by the croupier or dealer in public view on the gaming station to which the gaming chips or coins are to be received. Such duplicate copy shall not be removed until the chips and coins are received, at which time the request and fill are deposited in the drop box.
  - (5) A fill shall be prepared by a cashier whenever gaming chips or coins are distributed to the gaming stations from the cashier's cage.
  - (6) Fills shall be serially pre-numbered forms, and each series of fills shall be used in sequential order, and the series of numbers of all fills received by a gaming facility shall be separately accounted. All the originals and duplicates of void fills shall be marked "VOID" and shall require the signature of the preparer.
  - (7) The following procedures and requirements shall be observed with regard to fills:
    - (a) Each series of fills shall be in triplicate form to be kept in a locked dispenser that will permit an individual slip in the series and its copies to be written upon simultaneously while still located in the dispenser, and that will discharge the original and duplicate while the triplicate remains in a continuous, unbroken form in the dispenser;
    - (b) Access to the triplicate copy of the form shall be maintained and controlled at all times by employees responsible for controlling and accounting for the unused supply of fills, placing fills in the dispensers, and removing from the dispensers, each day, the triplicate copies remaining therein.
  - (8) On the original, duplicate and triplicate copies of the fill, the preparer shall record, at a minimum, the following information:
    - (a) The denomination of the gaming chips or coins being distributed;
    - (b) The total amount of the gaming chips or coins being distributed;
    - (c) The total amount of all denominations of gaming chips or coins being distributed;

- (d) The game and station number to which the gaming chips or coins are being distributed;
  - (e) The date and shift during which the distribution of gaming chips or coins occur; and
  - (f) The signature of the preparer.
- (9) Upon preparation, the time of preparation of the fill shall be recorded, at a minimum, on the original and the duplicate.
- (10) All gaming chips or coins distributed to the gaming stations from the cashier's cage shall be transported directly to the gaming stations from the cashier's cage by a security department member who shall agree to the request to the fill and sign the original of the request, maintained at the cashier's cage, before transporting the gaming chips or coins and the original and duplicate of the fill for signature.
- (11) Signatures attesting to the accuracy of the information contained on the original and duplicate of the fills shall be, at a minimum, of the following personnel at the following times:
- (a) The cashier upon preparation;
  - (b) The security department member transporting the gaming chips or coins to the gaming station upon receipt from the cashier of gaming chips or coins to be transported;
  - (c) The croupier or dealer assigned to the gaming station upon receipt;
  - (d) The gaming facility supervisor assigned to the gaming station, upon receipt of the gaming chips or coins at such station.
- (12) Upon meeting the signature requirements as described in paragraph (11), the security department member that transported the gaming chips or coins and the original and duplicate copies of the fill to the station, shall observe the immediate placement by the croupier or dealer of the duplicate fill and duplicate request in the drop box attached to the gaming station to which the gaming chips or coins were transported and return the original fill to the fill bank where the original fill and request shall be maintained together and controlled by employees independent of the gaming facility department.

(13) The original and duplicate "VOID" fills, the original request and the original fill, maintained and controlled in conformity with paragraph (12) shall be forwarded to:

- (a) The count team for agreement with the duplicate copy of the fill and duplicate copy of the request removed from the drop box after which the original and duplicate copy of the request and the original and duplicate copy of the fill shall be forwarded to the accounting department for agreement, on a daily basis, with the triplicate; or
- (b) The accounting department for agreement, on a daily basis, with the duplicate fill and duplicate copy of the request removed from the drop box and the triplicate.

21. PROCEDURE FOR REMOVING GAMING CHIPS AND COINS FROM GAMING STATIONS

- (1) A request for credit ("Request") shall be prepared by a gaming facility supervisor to authorize the preparation of a credit ("Credit") for the removal of gaming chips and coins to the cashier's cage. The request shall be in duplicate form and access to such form shall, prior to use, be restricted to gaming facility supervisors.
- (2) On the original and the duplicate copy of the request the following information, at a minimum, shall be recorded:
  - (a) The date, time and shift of preparation;
  - (b) The denomination of gaming chips or coins to be removed from the gaming station;
  - (c) The total amount of each denomination of gaming chips or coins to be removed from the gaming station;
  - (d) The game and station number from which the gaming chips or coins are to be removed; and
  - (e) The signature of the gaming facility supervisor and croupier or dealer assigned to the gaming station from which gaming chips or coins are to be removed.
- (3) Immediately upon preparation of a request and transfer of gaming chips or coins to a security department member, a gaming facility supervisor shall obtain on the duplicate copy of the request, the signature of the security department member to whom the gaming chips or coins were transferred and the croupier or dealer shall place the duplicate copy in public view on the gaming station from which the gaming chips or coins were removed, and such

request shall not be removed until a credit is received from the fill bank at which time the request and credit are deposited in the drop box.

- (4) The original of the request shall be transported directly to the cashier's cage by the security department member who shall at the same time transport the gaming chips or coins removed from the gaming station.
- (5) A credit shall be prepared by a fill bank cashier whenever gaming chips or coins are removed from the gaming stations to the cashier's cage.
- (6) Credits shall be serially pre-numbered forms, each series of credits shall be used in sequential order, and the series number of all credits received by a gaming facility shall be separately accounted for. All original and duplicate copies of credits shall be marked "VOID" and shall require the signature of the preparer.
- (7) The following procedures and requirements shall be observed with regard to credits:
  - (a) Each series of credits shall be a three-part form and shall be inserted in a locked dispenser that will permit an individual slip in the series and its copies to be written upon simultaneously while still locked in the dispenser, and that will discharge the original and duplicate while the triplicate remains in a continuous, unbroken form in the dispenser.
  - (b) Access to the triplicate shall be maintained and controlled at all times by employees responsible for controlling and accounting for the unused supply of credits, placing credits in the dispensers, and removing from the dispensers, each day, the triplicates remaining therein.
- (8) On the original, duplicate and triplicate copies of a credit, the preparer shall record, at a minimum, the following information:
  - (a) The denomination of the gaming chips or coins removed from the gaming station to the cashier's cage;
  - (b) The total amount of each denomination of gaming chips or coins removed from the gaming station to the cashier's cage;
  - (c) The total amount of all denominations of gaming chips or coins removed from the gaming station to the cashier's cage;

- (d) The game and station number from which the gaming chips or coins were removed;
  - (e) The date and shift during which the removal of gaming chips or coins occurs; and
  - (f) The signature of the preparer.
- (9) Upon preparation, the time of preparation of the credit shall be recorded, at a minimum, on the original and duplicate copy.
- (10) Signatures attesting to the accuracy of the information contained on the original and the duplicate copy of a credit shall be, at a minimum, the following personnel at the following times:
- (a) The fill bank cashier upon preparation;
  - (b) The security department member transporting the gaming chips or coins to the cashier's cage;
  - (c) The croupier or dealer assigned to the gaming station upon receipt at such station from the security department member; and
  - (d) The gaming facility supervisor assigned to the gaming station upon receipt at such station.
- (11) Upon meeting the signature requirements as described in paragraph (10), the security department member transporting the original and duplicate copies of the credit to the gaming station, shall observe the immediate placement by the croupier or dealer of the duplicate copies of the credit and request in the drop box attached to the gaming station from which the gaming chips or coins are removed. The security department member shall expeditiously return the original credit to the fill bank where the original of the credit and request shall be maintained together, and controlled by employees independent of the gaming facility department.
- (12) The original and duplicate copies of "VOID" credits and the original request and credit, maintained and controlled in conformity with paragraph (11) shall be forwarded to:
- (a) The count team for agreement with the duplicate credit and the duplicate request removed from the drop box, after which the request and the original and duplicate credit shall be forwarded to the accounting department for agreement, on a daily basis, with the triplicate; or

- (b) The accounting department for agreement, on a daily basis, with the duplicate copies of the credit and request removed from the drop box and the triplicate.

22. A. PROCEDURE FOR SHIFT CHANGES AT GAMING STATIONS

- (1) Whenever gaming stations are to remain open for gaming activity at the conclusion of a shift, the gaming chips and coins remaining at the gaming stations at the time of the shift change shall be counted by either the croupier or dealer assigned to the outgoing shift, and the croupier or dealer assigned to the incoming shift, or the croupier or dealer assigned to the gaming station at the time of a drop box shift change which does not necessarily coincide with an employee shift change. The count shall be observed by the gaming facility supervisor assigned to the gaming station at the time of a drop box shift change.
- (2) The gaming chips and coins counted shall be recorded on the station inventory slip by the gaming facility supervisor assigned to the gaming station of the outgoing shift or the gaming facility supervisor assigned to the gaming station at the time of the drop box shift change.
- (3) Station inventory slips shall be three-part serially pre-numbered forms and on the original of the slip ("Closer"), the duplicate of the slip ("Opener"), and on the triplicate, which is maintained and controlled by security, the gaming facility supervisor shall record the following:
  - (a) The date and identification of the shift ended;
  - (b) The game and station number;
  - (c) The total value of each denomination of gaming chips and coins remaining at the station.
- (4) Signatures attesting to the accuracy of the information recorded on the station inventory slips shall be of either the croupier or dealer and the gaming facility supervisor assigned to the incoming and outgoing shifts or the croupier or dealer and the gaming facility supervisor assigned to the gaming station at the time of a drop box shift change.
- (5) Upon meeting the signature requirements as described in paragraph (4), the closer shall be deposited in the drop box that is attached to the gaming station immediately prior to the change of shift at which time the drop boxes shall then be removed and the opener shall be deposited in the replacement drop box that is to be attached to the gaming stations immediately following the change of shift.

The triplicate shall be forwarded to the accounting department by a security department member.

B. PROCEDURE FOR CLOSING GAMING STATIONS

- (1) Whenever the daily gaming activity at each gaming station is concluded, the gaming chips and coins on the gaming station shall be counted by the croupier or dealer assigned to the gaming station and observed by a gaming facility supervisor assigned to the gaming station, and the entire count and closure process shall be monitored and taped by the surveillance department and those tapes retained for a period of at least thirty (30) days.
- (2) The gaming chips and coins counted shall be recorded on a station inventory slip by the gaming facility supervisor assigned to the gaming station.
- (3) Station inventory slips shall be three-part serially pre-numbered forms and on the original of the slip ("Closer"), the duplicate of the slip ("Opener"), and on the triplicate, which is maintained and controlled by security, the gaming facility supervisor shall record the following:
  - (a) The date and identification of the shift ended;
  - (b) The game and station number;
  - (c) The total value of each denomination of gaming chips and coins remaining at the stations; and
  - (d) The total value of all denominations of gaming chips and coins remaining at the gaming stations.
- (4) Signatures attesting to the accuracy of the information recorded on the station inventory slips at the time of closing the gaming stations shall be of the croupier or dealer and the gaming facility supervisor assigned to the gaming station who observed the croupier or count the contents of the station inventory.
- (5) Upon meeting the signature requirements specified in paragraph (4), the closer shall be deposited in a drop box attached to the gaming station immediately prior to the closing of the station.
- (6) The triplicate copy of the station inventory slip shall be forwarded to the accounting department by a security department member.
- (7) Upon meeting the signature requirements specified in paragraph (4), the opener and the gaming chips remaining at the station shall be placed in the clear container provided

for that purpose as specified in these standards after which the container shall be locked.

- (8) At the end of each gaming day, if the locked containers are transported to the cashier's cage, a cage cashier shall determine that all locked containers have been returned or, if the locked containers are secured to the gaming station, a gaming facility supervisor shall account for all the locked containers.

Provided, that an alternative method to the procedures set forth in this Section 22 above may be approved by mutual agreement of the Tribal and State Gaming Agencies in a Memorandum of Understanding.

### 23. COUNT ROOM: CHARACTERISTICS

- (1) As part of the gaming operation, there shall be a room specifically designated for counting the contents of drop boxes which shall be known as the count room.
- (2) The count room shall be designed and constructed to provide maximum security for the materials housed therein and for the activities conducted therein, to include at a minimum, the following:
  - (a) A door equipped with two separate locks securing the interior of the count room, the keys to which shall be different from each other and from the keys to the locks securing the contents of the drop boxes, and one key shall be maintained and controlled by the security department in a secure area within the security department, access to which may be gained only by a nominated security department member, and the other key maintained and controlled by the gaming facility department;
  - (b) The security department shall establish a sign out procedure for all keys removed from the security department; and
  - (c) An alarm device connected to the entrance of the count room in such a manner as to cause a signalling to the monitors of the closed circuit television system in the gaming facility's surveillance monitor room whenever the door to the count room is opened.
- (3) Located within the count room shall be:
  - (a) A table constructed of clear glass or similar material for the emptying, counting and recording of the contents of the drop boxes which shall be known as the "Count Table";

- (b) Closed circuit television cameras and microphones wired to monitoring rooms capable of, but not limited to the following:
  - (i) Effective and detailed video and audio monitoring of the entire count process;
  - (ii) Effective, detailed video-monitoring of the count room, including storage cabinets or trolleys used to store drop boxes; and
  - (iii) Video and audio taping of the entire count process and any other activities in the count room.

24. PROCEDURE FOR COUNTING AND RECORDING CONTENTS OF DROP BOXES

- (1) The contents of drop boxes shall be counted and recorded in the count room in conformity with this standard.
- (2) The tribal gaming operation shall notify the Tribal Gaming Agency through an inspector whenever the contents of drop boxes removed from gaming stations are to be counted and recorded, which, at a minimum, shall be once each gaming day.
- (3) The opening, counting and recording of the contents of drop boxes shall be performed in the presence of an inspector and by those employees assigned by the tribal gaming operation for the conduct of the count ("Count Team") who have no incompatible functions. To gain entrance to the count room, the inspector may be required to present an official identification card containing his or her photograph issued by the Tribal Gaming Agency.
- (4) Immediately prior to the opening of the drop boxes, the doors to the count room shall be securely locked and except as otherwise authorized by this standard, no person shall be permitted to enter or leave the count room, except during a normal work break or in an emergency, until the entire counting, recording and verification process is completed.
- (5) Immediately prior to the commencement of the count, one count team member shall notify the person assigned to the closed circuit television monitoring station in the establishment that the count is about to begin, after which such a person shall make a video and audio recording, with the time and date inserted thereon, of the entire counting process which shall be retained by the security department for at least seven days from the date of recording unless otherwise directed by the Tribal Gaming Agency or State Gaming Agency.

- (6) Procedures and requirements for conducting the count shall be the following:
- (a) As each drop box is placed on the count table, one count team member shall announce, in a tone of voice to be heard by all persons present and to be recorded by the audio recording device, the game, station number, and shift marked thereon;
  - (b) The contents of each drop box shall be emptied and counted separately on the count table, which procedures shall be at all times conducted in full view of the closed circuit television cameras located in the count room;
  - (c) Immediately after the contents of a drop box are emptied onto the count table, the inside of the drop box shall be held up to the full view of a closed circuit television camera, and shall be shown to at least one other count team member and the Tribal Gaming Agency inspector to confirm that all contents of the drop box have been removed, after which the drop box shall be locked and placed in the storage area for drop boxes;
  - (d) The contents of each drop box shall be segregated by a count team member into separate stacks on the count table by denominations of coin and currency and by type of form, record or document;
  - (e) Each denomination of coin and currency shall be counted separately by at least two count team members who shall place individual bills and coins of the same denomination on the count table in full view of the closed circuit television cameras, and such count shall be observed and the accuracy confirmed orally or in writing, by at least one other count team member;
  - (f) As the contents of each drop box is counted, one count team member shall record or verify on a master game report, by game, station number, and shift, the following information:
    - (i) The total amount of currency and coin counted;
    - (ii) The amount of the opener;
    - (iii) The amount of the closer;
    - (iv) The serial number and amount of each fill;
    - (v) The total amount of all fills;
    - (vi) The serial number and amount of each credit;

- (vii) The total amount of all credits; and
  - (viii) The win or loss.
- (g) After the contents of each drop box have been counted and recorded, one member of the count team shall record by game and shift, on the master game report, the total amounts of currency and coin, station inventory slips, fills and credits counted, and win or loss, together with such additional information as may be required on the master game report by the tribal gaming operation;
  - (h) Notwithstanding the requirements of sub-paragraphs (f) and (g), if the tribal gaming operation's system of accounting and internal controls provides for the recording on the master game report of fills, credits, and station inventory slips by cage cashiers prior to the commencement of the count, a count team member shall compare for agreement the serial numbers and totals of the amounts recorded thereon to the fills, credits, and station inventory slips removed from the drop boxes;
  - (i) Notwithstanding the requirements of sub-paragraphs (f) and (g), if the tribal gaming operation's system of accounting and internal controls provides for the count team functions to be comprised only of counting and recording currency, coin, and credits; accounting department employees shall perform all other counting, recording and comparing duties herein;
  - (j) After completion and verification of the master game report, each count team member shall sign the report attesting to the accuracy of the information recorded thereon;
  - (k) At no time after the inspector has signed the master game report shall any change be made to it without prior written approval of the Tribal Gaming Agency.
- (7) Procedures and requirements at the conclusion of the count for each gaming shift shall be the following:
- (a) All cash removed from each drop box after the initial count shall be presented in the count room by a count team member to a cashier who, prior to having access to the information recorded on the master game report and in the presence of the count team and the inspector, shall re-count, either manually or mechanically, the cash received, after which the inspector shall sign the report evidencing his or her presence during the count and the fact that both the

cashier and count team have agreed on the total amount of cash counted;

- (b) The top copy of the master game report, after signing, and the requests for fills, the fills, the requests for credits, the credits, and the station inventory slips removed from drop boxes shall be transported directly to the accounting department and shall not be available to any cashier's cage personnel;
  - (c) A duplicate of the master game report , but no other document referred to in this standard whatsoever, shall be retained by the inspector.
  - (d) If the tribal gaming operation's system of accounting and internal controls does not provide for the forwarding from the cashier's cage of the duplicate of the fills, credits, request for credits, request for fills, such documents recorded or to be recorded on the master game report shall be transported from the count room directly to the accounting department.
- (8) The originals and copies of the master game report, request for fills, fills, request for credits, credits and station inventory slips shall on a daily basis, in the accounting department be:
- (a) Compared for agreement with each other, on a test basis, by persons with no recording responsibilities and, if applicable, to triplicates or stored data;
  - (b) Reviewed for the appropriate number and propriety of signatures on a test basis;
  - (c) Accounted for by series numbers, if applicable;
  - (d) Tested for proper calculation, summarization, and recording;
  - (e) Subsequently recorded; and
  - (f) Maintained and controlled by the accounting department.

## 25. SIGNATURES

(1) Signatures shall:

- (a) Be, at a minimum, the signer's first initial and last name;

- (b) Be immediately adjacent to, or above the clearly printed or pre-printed title of the signer and his or her certificate or permit number; and
  - (c) Signify that the signer has prepared forms, records, and documents, and/or authorized to a sufficient extent to attest to the accuracy of the information recorded thereon, in conformity with these standards and the tribal gaming operation's system of accounting and internal control.
- (2) Signature records shall be prepared for each person required by these standards to sign or initial forms, records and documents, and shall include specimens of signatures and initials of signers. Such signature records shall be maintained on a dated signature card file, alphabetically by name, within a department. The signature records shall be adjusted on a timely basis to reflect changes of personnel.
- (3) Signature records shall be securely stored in the accounting department.