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ARIZONA DEPARTMENT OF GAMING
ANNUAL REPORT

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OUR MISSION

PROTECT THE PUBLIC

ENSURE COMPLIANCE WITH THE GAMING COMPACTS

REGULATE THE GAMING INDUSTRY

OUR VALUES

WE ACT WITH INTEGRITY

WE SUPPORT DIVERSITY

WE RESPECT AND WORK WITH THE TRIBES AS PARTNERS

WE ARE TRANSPARENT, CONSISTENT AND PREDICTABLE

WE ARE PROFESSIONAL, ACCOUNTABLE AND RESPONSIBLE IN ALL OUR ACTIVITIES

WE RESPECT AND SUPPORT EACH OTHER

DIRECTOR'S MESSAGE

Arizona Indian gaming operations generated more than \$1.6 billion in revenue this past year. This was achieved with approximately 14,500 Class III Gaming devices and 500 table games operated in the 22 tribal casinos located throughout the state. Working with tribal regulators, the Arizona Department of Gaming ("ADG") helps ensure the integrity of such operations and compliance with each respective Tribal-State Gaming Compact.

This past year, ADG inspected and certified more than 17,000 gaming devices. It has also processed more than 8,900 applications for individuals and companies working at or with tribal casinos.

As required by the Tribal-State Gaming Compacts, ADG reviews and processes Tribal Contributions from gaming operations. Each year, tribes contribute 1 to 8 percent of their gaming revenue to the state and local governments. This provides vital funding for important programs throughout the state. In Fiscal Year ("FY") 2010, almost \$90 Million was received by ADG to support trauma and emergency services, education, state tourism, wildlife conservation, gaming regulation and to supply information and assistance for people with gambling problems.

No general fund money is used to support ADG. While this is a fortunate position during difficult economic times, ADG has committed itself to being a good steward of every dollar received through tribal gaming. During this past year, ADG reached out to support other state agencies as well. We began by using a time-proven method of conserving funds --- it's called getting a roommate! By closing our existing office in Flagstaff and moving into a facility with the Arizona Registrar of Contractors, we were able to save money for both agencies while still maintaining an office to serve Northern Arizona. In Phoenix, our agents joined forces with the Arizona Department of Liquor Licenses and Control and local law enforcement to investigate reports of illegal gambling occurring in liquor-licensed establishments. ADG also began discussions concerning an Inter-Agency Services Agreement with the Department of Racing. This agreement was finalized in FY 2011. We are currently providing that agency with support in the areas of human resources administration, information technology, background investigations, procurement and financial management.

We anticipate ADG's responsibilities will continue to grow in the coming years. Two new destination resort casinos recently opened and at least two tribes are planning to construct new Class III Gaming facilities in Arizona. We have established a telephone hotline where people can report suspected illegal off-reservation gambling activity and we will continue to work with local law enforcement agencies to combat it.

It has been a productive year. I want to thank our hard-working employees for their accomplishments and professionalism. We remain dedicated to doing the right things for the right reasons in the right ways. We look forward to the challenges that the future holds.



Mark Brnovich
Director



DIRECTOR BRNOVICH PROVIDES TESTIMONY FOR U.S. SENATE COMMITTEE ON INDIAN AFFAIRS, JULY 29, 2010

GAMING DEVICE COMPLIANCE

The Gaming Device Compliance Unit has maintained its dedication to complete each certification and inspection necessary to ensure the integrity of tribal gaming. During FY 2010, the Unit confirmed that all gaming devices and accounting systems were in compliance with the opening of 2 new casinos. The Unit also performed accounting system upgrades within every gaming facility.

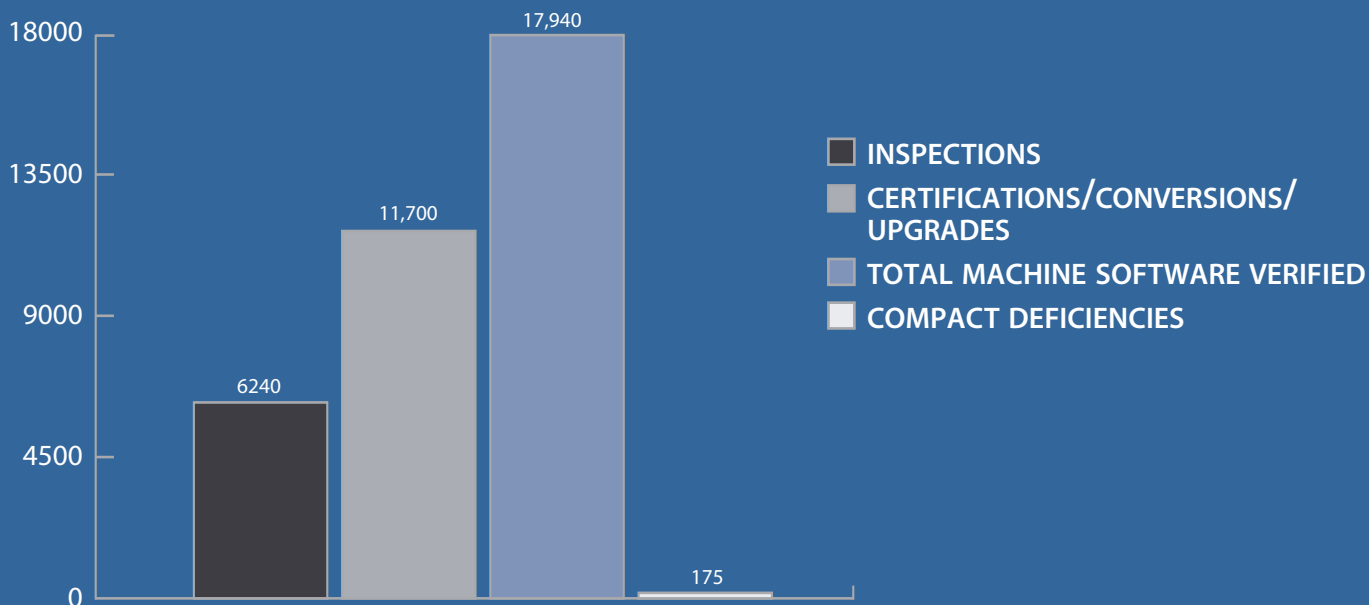
- Unit technicians oversee over 14,000 gaming devices
 - Certifications/conversions/upgrades take place whenever a new device is introduced or an existing one requires alteration
- Performed over 100 random machine inspection visits, verifying up to 50 gaming devices each time
 - Inspections verify that no unauthorized modifications have occurred
- As a top priority of the unit, extra steps were taken to track and quickly respond to notices of revoked software
- All of the games, kiosks and the slot accounting system in the new Wild Horse Pass Casino and Talking Stick Resort and Casino were certified prior to their opening

THE UNIT EXECUTED MORE THAN 100 RANDOM CASINO VISITS, INSPECTING OVER 6,000 MACHINES



The Gaming Device Compliance Unit is an integral part in ensuring the integrity of gaming in Arizona. All devices played by the public are properly inspected and meet rigid specifications. By certifying gaming devices in every facility, we confirm compliance with key portions of the Arizona Tribal-State Gaming Compact.

FY 2010 MACHINE COMPLIANCE STATISTICS



INVESTIGATIONS & INSPECTIONS

The Investigations and Inspections Unit had several major accomplishments this year, including the Sector Program, expansion of off-reservation enforcement, major re-organization of the Compact Compliance Review ("CCR") work steps, continuation of training classes and academies for the tribes, and opening the new Talking Stick Resort and Casino and Wild Horse Pass Casino.

ACCOMPLISHMENTS

- Development of the Sector Program enabled the Unit to pursue off-reservation investigations while maintaining mandated obligations of compliance at gaming facilities. The Sector program increases the quality of CCR's and allows agents to become more familiar with gaming facilities statewide.
- Provided assistance to the Intelligence Unit with 3 major off-reservation investigations involving serving search warrants and seizing coin pusher machines, serving subpoenas on persons involved with illegal card rooms, conduct-

ing surveillance and serving search warrants relating to unlawful use of slot machines.

- Completed first major revisions to the Investigator CCR work steps to promote consistent audit standards. This created new guidelines and included recent changes to wager limits and elimination of duplications within Appendices C and H, and the Compact. All agents were also trained on the new audit PAWS program.
- The Unit provided justification and developed job descriptions to establish the first supervisory Investigations and Inspections agent in the Phoenix office. This position will improve instruction to the existing agents while developing and training our next generation of leaders.
- Worked to advance role in training and facilitating Arizona Tribal Gaming Regulators Alliance ("ATGRA") while coordinating the new agent academy. This increased visibility with Tribal Gaming Of-

fices ("TGO's") and strengthened our partnerships.

- The Unit also aided the Salt River Community Regulatory Agency in the pre-opening inspection of the newest and largest casino/resort in the state -- Talking Stick Resort and Casino. This considerable project required agents and tribal regulators to work around the clock for three weeks inspecting surveillance and identifying security and safety issues.

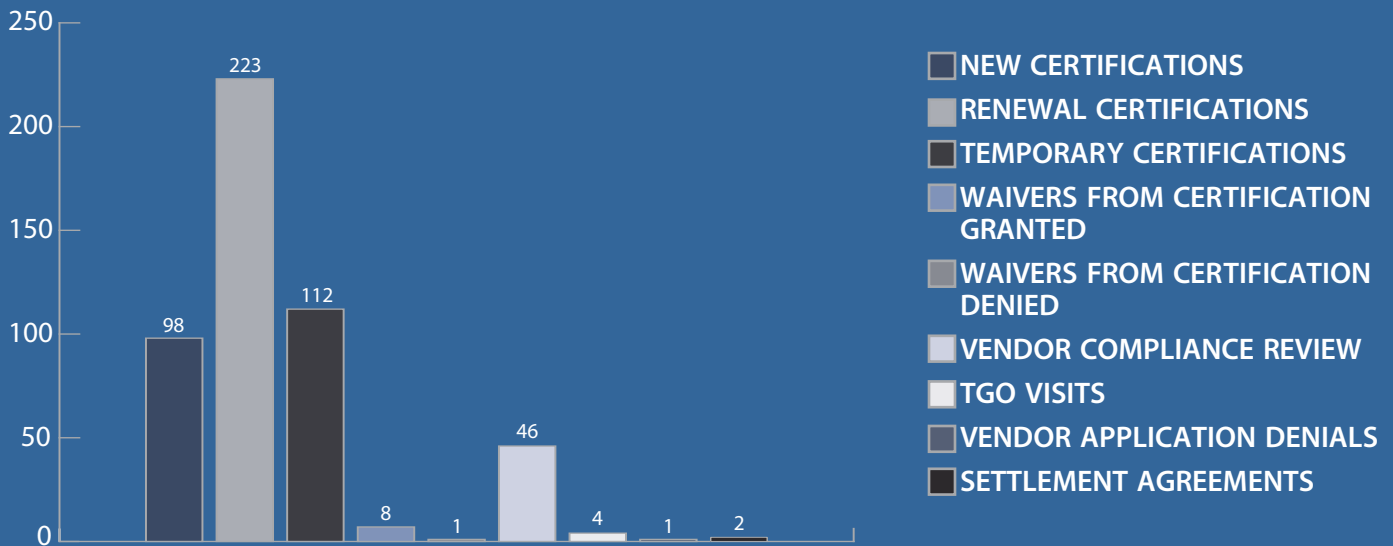
We continue to strengthen our partnerships at the tribal level while ensuring the integrity of gaming through progression of training and development of networking throughout the state. When regulation is approached in a consistent manner from facility to facility, the public confidence is successfully maintained.



THE UNIT PROVIDED SUBSTANTIAL ASSISTANCE TO THE INTELLIGENCE UNIT WITH 3 MAJOR OFF-RESERVATION INVESTIGATIONS INVOLVING SEIZURE OF COIN PUSHER MACHINES

GAMING VENDOR CERTIFICATION

TOTALS FOR FY 2010



GAMING FACILITY EMPLOYEE CERTIFICATION

The Gaming Facility Employee Certification Unit successfully reduced the average number of days required for the issuance of renewals by 44%. With the growing need for training requested by the various tribes, the Unit sent 2 agents to the FBI Fingerprint facility in Clarksburg, West Virginia, for 3 days of hands-on preparation. Members of the Unit continue to provide information to TGO's on the subjects of ADG applications and associated forms, fingerprinting and operational procedures.

ACHIEVEMENTS

- Processed 1,486 applications for the issuance of state certification and tribal licensing (1,070 non-tribal - 416 tribal)
- Prepared 7,465 applications for renewal of state certification and tribal licensing (5,753 non-tribal - 1,712 tribal)
- Denied 32 applicants, revoked or suspended 15 casino employees and issued 20 negative recommendations for tribal licensing

The significant reduction in the average number of days required to issue renewal certification resulted in enhanced efficiency. The Unit continues to supply support to the tribes when requests are made for training in background investigations. These accomplishments and commitments help pave the way for a continued, strong working relationship between the individual tribes and ADG.

GAMES & SYSTEMS COMPLIANCE

The Games and Systems Compliance Unit works to proactively identify and resolve issues. This involves interfacing with TGO's, Gaming Facility Operators ("GFO's") and game distributors to ensure the applicable procedures and rules will be clear to a typical casino patron.

- The approval process for new games requires careful considerations that may take months to accomplish. In FY 2010, the unit received 1,190 submissions from the TGO's and approved:
 - 859 promotions and lotteries
 - 3 new and 15 revisions to Blackjack and Blackjack variation games
 - 9 new and 7 revisions to Jackpot Poker games
 - 200 jackpot poker and 45 slot tournaments
 - 38 Blackjack and 14 Keno tournaments
- Hosted internal training classes and disseminated information throughout ADG on:

- How to play common poker games to assist in off-reservation investigations
- Blackjack and poker variations currently offered in the casinos to enhance the understanding of the agents and audit staff
- Provided training as part of the ATGRA Training Academy for tribal regulators
- Met with leading industry manufacturers and distributors to review and discuss new technology that may be introduced to the Arizona gaming market
- Provided assistance to the Gaming Device Compliance Unit by testing and certifying gaming devices during the pre-opening of the new Wild Horse Pass Casino and the Talking Stick Resort and Casino
- Attended training classes, conferences and trade shows to stay abreast of new technology and products in the industry, including the National Indian Gaming Association

(NIGA) Annual Conference and Trade Show, the Global Gaming Expo (G2E) annual gaming industry conference and trade show and the Gaming Laboratories International (GLI) Annual Regulators Roundtable

The Games and Systems Compliance Unit upholds a strong, constructive and productive partnership with the TGO's, GFO's and additional units within ADG. It selects the latest technology and innovations in the gaming industry to assist ADG with maintaining a strong regulatory structure. Our goal is to be proactive in identifying and resolving challenges and to support ADG's Vision and Mission.

COMPLIANCE

STATUS OF TRIBAL GAMING

Tribes in Arizona	22
Tribes with Current Compacts	21
Tribes with Casinos	15
Number of Casino Sites	22
Number of Slot Machines	14,511
Number of Poker Tables	219
Number of Blackjack Tables	274
Number of Casinos with Live Keno	6
Number of Casinos with Off-Track Pari-Mutuel Betting	0

NOTE: Tribal gaming status figures for individual Arizona tribes can be found on the ADG website at www.azgaming.gov



AUDIT

The expertise of each auditor was improved by implementing a formal field training program. This provided special cross training and sharing of knowledge between auditors. The number of outstanding Compact violations was significantly reduced from the previous year by promoting personal accountability of assigned tribes for each team member. The use of auditing software was expanded to enable the sharing of information between Units.

- Reduced the number of outstanding Compact violations by over 30%.
- Expanded the use of the PAWS auditing software to the Inves-

tigations and Inspections Unit and provided necessary training. This helped streamline work and consolidate reporting among Units.

- Completed a CCR and a Tribal Contributions Review ("TCR") for each tribe during the year.
- Implemented a formal tracking system of all field training received by each auditor, identifying areas of experience and required training.
- Improved information sharing between other Units by gathering unusual items reported, tracking the status of each,

and creating special alerts for upcoming Compact Compliance Reviews.

OBJECTIVES

Our accomplishments in 2010 will help bring Compact violations into compliance in a timelier manner. Our improved information sharing will help identify potential violations early so that they may be addressed and resolved quickly.

TRIBAL CONTRIBUTIONS

With the passage of Proposition 202 in November 2002, and the subsequent new Tribal-State Gaming Compacts, the gaming tribes in Arizona make contributions to the state on a quarterly basis. Contributions are based on an individual tribe's Class III Net Win. Administered by ADG, 88% of a tribe's total annual contribution is paid to the Arizona Benefits Fund -- aggregate quarterly and annual tribal contributions totaled \$77,893,132 for FY 2010. Also, gaming tribes filed promptly all monthly and quarterly Class III Net Win Reports and quarterly Tribal Contribution Payments. During FY 2010, the gaming tribes' 12% distributions to cities, towns, and counties totaled \$11,120,883.

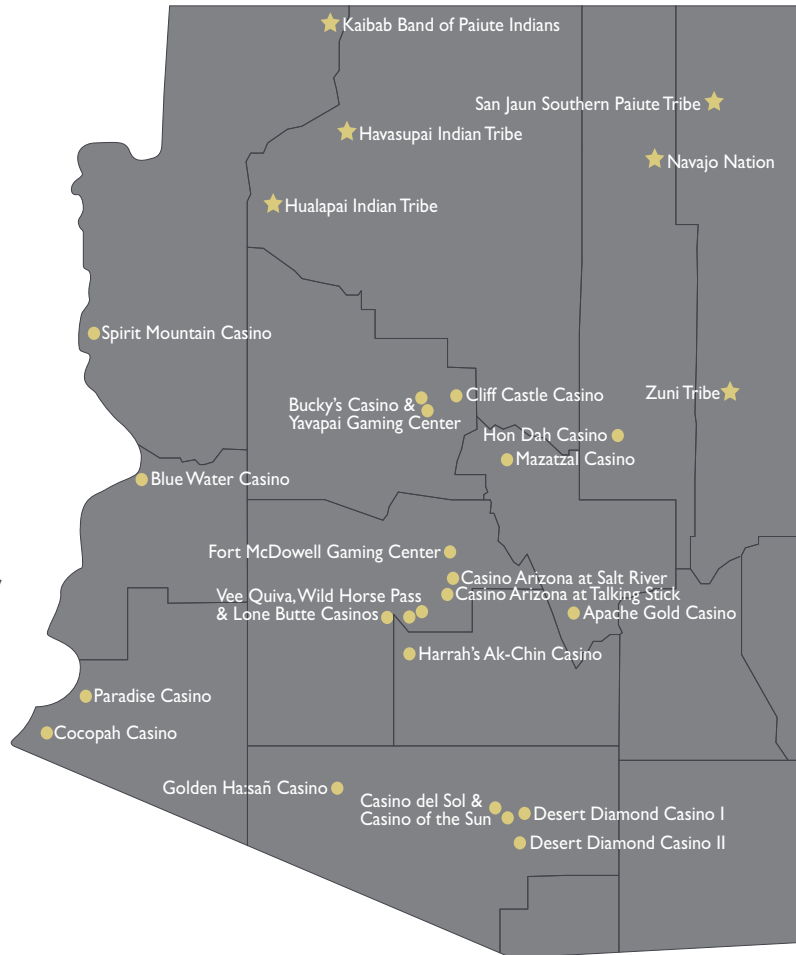
FY 2010 DISTRIBUTION OF TRIBAL CONTRIBUTIONS

ADG for Administrative and Regulatory Expenses	\$8,000,000
ADG for Treatment, Education and Prevention of Problem Gambling	\$1,557,862
Instructional Improvement Fund	\$38,267,751
Trauma and Emergency Services Fund	\$19,133,875
Tourism Fund	\$5,466,822
Arizona Wildlife Conservation Fund	<u>\$5,466,822</u>
Total Contributions to Arizona Benefits Fund	\$77,893,132
Total Contributions to Cities, Towns and Counties	<u>\$11,120,883</u>
Total FY 2010 Tribal Contributions	\$89,014,015

TRIBES WITH GAMING COMPACTS

TRIBES WITH CASINOS

- Ak-Chin Indian Community
Harrah's Ak-Chin Casino
- Cocopah Indian Tribe
Cocopah Casino
- Colorado River Indian Tribes
Blue Water Casino
- Fort McDowell Yavapai Nation
Fort McDowell Gaming Center
- Fort Mojave Indian Tribe
Spirit Mountain Casino
- Gila River Indian Community
Wild Horse Pass Casino
Vee Quiva Casino
Lone Butte Casino
- Pascua Yaqui Tribe of Arizona
Casino of the Sun
Casino del Sol
- Quechan Indian Tribe
Paradise Casino
- Salt River Pima-Maricopa Indian Community
Casino Arizona at Salt River
Casino Arizona at Talking Stick
- San Carlos Apache Tribe
Apache Gold Casino
- Tohono O'odham Nation
Golden Ha:san Casino
Desert Diamond Casino I
Desert Diamond Casino II
- Tonto Apache Tribe
Mazatzal Casino
- White Mountain Apache Tribe
Hon Dah Casino
- Yavapai-Apache Nation
Cliff Castle Casino
- Yavapai-Prescott Indian Tribe
Yavapai Gaming Center
Bucky's Casino



Note: Locations on the above map are approximate and not to scale

TRIBES WITHOUT CASINOS

- Havasupai Indian Tribe
- Hualapai Indian Tribe
- Kaibab Band of Paiute Indians
- Navajo Nation
- San Juan Southern Paiute Indians
- Zuni Tribe

CURRENTLY, THERE ARE 15 TRIBES OPERATING 22 CLASS III CASINOS. ANOTHER 6 TRIBES DO NOT HAVE CASINOS BUT HAVE SLOT MACHINE RIGHTS THEY LEASE TO OTHER TRIBES.

INTELLIGENCE

During FY 2010, the Intelligence Unit worked on the Director's mandate to create a viable processing method of receiving and tracking inquiries to ADG involving suspected illegal gambling operations. It also moved forward to improve relations between tribal authorities, and provided investigative support and intelligence information on potential criminals in their jurisdictions. The Unit continued monitoring criminal incident information and the Self Exclusion Program.

- Launched ADG Illegal Gambling Complaint hotline which inputs directly to the ID POINT computer data base with "CMP" designation to manage calls for service and track complaints of suspected illegal gambling operations. This was implemented by the Law Enforcement Liaison and is allowing ADG to properly receive complaints and manage suspicious activity.
- The Law Enforcement Liaison became a popular resource to

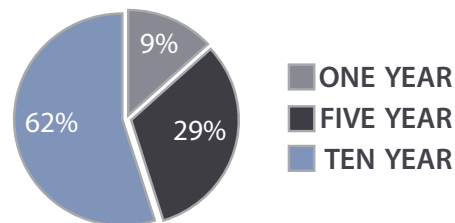
other law enforcement agencies, providing answers to inquiries, investigative expertise and practical training. This significantly strengthened a continuing link between state, local and tribal agencies.

- Completed 2 complex and long-term gambling cases involving an illegal poker room and gambling device operations in which suspects from both cases attempted expansion of their enterprises throughout Arizona.
- Hands-on investigative support was provided to tribal law enforcement to assist in suppressing questionable criminal activity occurring at the casinos.

Administrative support within the Unit continues to track criminal incidents and manage over 2,500 Self-Excluded persons. The Unit extends its commitment to tracking illicit incidents and providing intelligence information to help identify possible criminal elements that could undermine or victimize a tribal enterprise.

SELF EXCLUSION

DURATION CHOSEN



AS OF JUNE 30, 2010, THERE ARE 2,515 PEOPLE SIGNED UP FOR THE CASINO SELF EXCLUSION PROGRAM. AS THE CHART SHOWS, MOST PARTICIPANTS CHOOSE THE LONGEST TERM AVAILABLE.



ADMINISTRATION

INFORMATION TECHNOLOGY

In FY 2010, the Information Technology Unit actively participated with GITA through the small agency information technology assessment, the State CIO Council, the State SaaS e-mail consolidation project and the State Virtualization Community of Interest. Also, the Unit conducted a successful pilot test of the State Electronic Access System (SEAS) with the Fort McDowell Indian Tribe -- SEAS will support casino operations electronic records access by ADG. Additionally, ADG's website was updated to meet new state requirements.

ACCOUNTING/PROCUREMENT/FINANCE

From pursuing work space improvements to reviewing file room management and promoting employee safety, significant advances were achieved in FY 2010. The unit planned and coordinated the move of ADG's Flagstaff office to a sublease with another state agency for shared space, creating more efficient use of space, reduced overhead and stronger coordination between two agencies. An advanced ID badge system was adopted to promote security and convenience; procedures and policies were refined to reduce expenditures and expedite processes; and ADG paid US Bank purchase card statements prior to the due date to reduce expenditures pursuant to GAO TB-10-07. A new program was also implemented to track and capture frequent flyer miles generated by staff traveling on official business.

HUMAN RESOURCES

Human Resources conducted the required employee recruitments, reviewed 1,692 resumes and applications, coordinated 95 interviews and conducted 13 new employee orientations. The Unit also organized and hosted 4 Employee Wellness Events, 13 Open Enrollment Meetings and 3 sponsored employee training events.

FY 2010 REVENUE & EXPENDITURES

REVENUE	ENFORCEMENT/PROBLEM GAMBLING	CERTIFICATION
Total Revenue	¹ \$9,857,728	\$1,717,493
EXPENDITURES		
Personal Services	\$4,486,896	\$1,275,940
Employee Related Services	\$1,678,079	\$437,024
Professional & Outside Services	\$1,680,028	\$27,126
In-State Travel	\$234,857	\$10,515
Out-of-State Travel	\$23,290.10	\$38,417
Other Operating Expenses	\$1,151,983	\$30,513
Equipment	\$90,084	\$5,210
² Transfers	\$6,170	----
Total Expenditures	\$9,351,387	\$1,824,745

¹ Includes \$300,000 from the Lottery Fund

² To the Office of Administrative Hearings

OFFICE OF PROBLEM GAMBLING

During FY 2010, OPG's contracted behavioral health counselors treated over 900 clients and our staff provided 72 hours of live training in addition to the annual symposium. A partnership was also forged with ASU to design an online problem gambling training course for the public and treatment professionals. Thousands of awareness materials were distributed in venues throughout Arizona. OPG participated in TV, radio and print interviews to convey the message that there is help and hope for problem gambling.

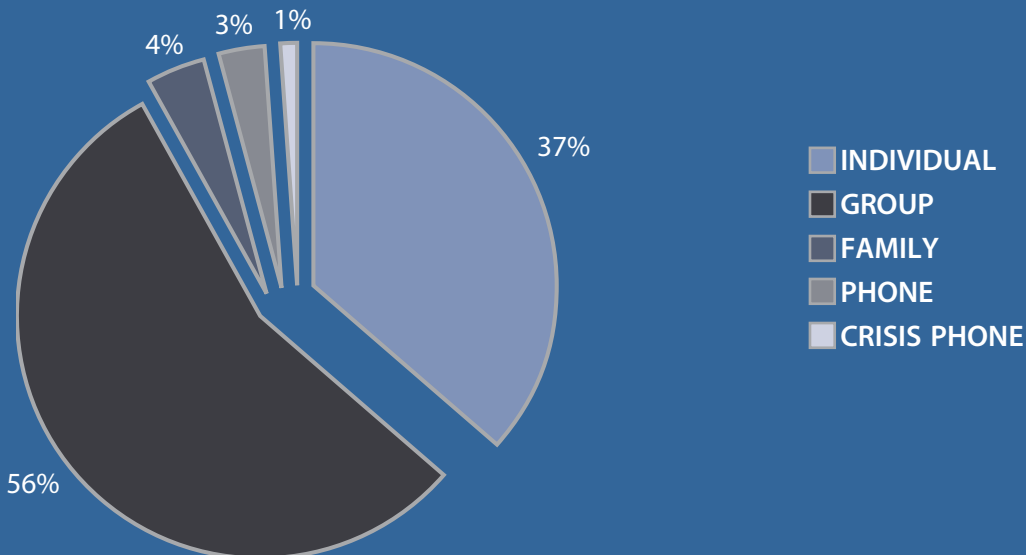
- 908 treatment clients served and 10,661 awareness materials distributed at venues throughout the state
- Partnered with ASU to create online problem gambling training program
- Sponsored day-long problem gambling symposium in conjunction with National Problem Gambling Awareness Week
- 72 hours of live training events in Phoenix, Tucson, Flagstaff, Show Low and Yuma with 95% of participants reporting being satisfied or very satisfied with their experience

Each of these accomplishments reflects OPG's commitment to serving the public by ensuring that help is available for compulsive gamblers. Awareness of the disorder promotes early interventions. A well-trained behavioral health workforce allows those in need to receive effective treatment.

1.800.NEXTSTEP
Help for problem gambling.



TYPES OF PROBLEM GAMBLING THERAPY PROVIDED IN FY 2010



PROGRAMS & SPECIAL PROJECTS

PRO JECTS

CHRISTMAS WISH PROGRAM

The Christmas Wish Program with Wilson Primary School, located in one of the poverty-stricken neighborhoods in Phoenix, has been in place since 1995. For many of these children, Santa never comes.

Fifty ADG employees participated in this program in FY 2010, whether through buying a gift, donating money and supplies, or attending and helping the day of the party. Nearly \$800 in monetary donations was raised, which provided food for the party, supplies for the classroom and gifts for the teacher and her aide. Employees also donated 26 "Santa" gifts for the students.



SECC

The State Employees Charitable Campaign is conducted under Executive Order in partnership with the state fiscal agent, a 501(c) (3) charitable organization. More than 45,000 State Employees donate funds to help support 700 charities.

In the past 16 years, State Employees have raised more than \$20 million dollars to support charities in Arizona and across the world. The Department has participated in the campaign since 1997 and our outstanding long-term commitment to the campaign is reflected in the numerous awards won for such things as dollars raised, participation, Supergivers and Leadership giver. Since 2002, ADG employees have given \$83,529.



SPECIAL PROJECTS

The Special Projects Unit ensures that the ADG's Special Agents remain up to date on investigative techniques, officer safety and current police procedures. In FY 2010, the Unit researched numerous programs and expedited AZPOST-approved training for 30 Officers. The Unit also facilitated continuing education, conducted mandatory Firearm and Judgment Shooting Programs, and performed the AZPOST Background Process for new officers hired by ADG.



HISTORY OF INDIAN GAMING IN ARIZONA

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

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

1992 Yavapai-Prescott Indian Tribe v. Arizona – A federal district judge in Arizona rules that the State must negotiate with the Tribe and attempt to conclude a Compact. The Legislature establishes the State Gaming Agency within the Department of Racing.

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

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

1995 The Legislature creates the Department of Gaming. The Salt River Pima-Maricopa Indian Community files a lawsuit in federal court seeking to force Tribal-State Compact negotiations.

1996 Seminole Court Case – The U.S. Supreme Court declares provisions in IGRA, allowing states to be sued without their consent, are unconstitutional. A federal court judge dismisses the Salt River Court Case based on the Seminole decision. The Tribe appeals. Rumsey Court Case – The 9th Circuit Court of Appeals holds that Class III gaming is to be examined game by game and allowed on Indian land only if permitted by a specific state law. Based on the Rumsey decision, Governor Symington refuses to negotiate a standard form Compact with the Salt River Pima-Maricopa Indian Community. The Tribe’s initiative measure, requiring the Governor to sign a standard form Compact with any Tribe seeking a Compact with the State, is placed on the General Election ballot. Voters approve the measure, but the law is challenged in Superior Court. Ultimately, the Arizona Supreme Court upholds the initiative measure. Sears Case – The Superior Court rules that the Governor of Arizona lacks the authority to negotiate a Compact with the Salt River Pima-Maricopa Indian Community permitting slot machines and/or keno. The decision is appealed to the Arizona Supreme Court.

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

2000 The Governor begins negotiating the renewal of the Tribal-State Compacts. Expiration of the current Compacts begin in June 2003, if not renewed. Arizona Greyhound Case – Arizona horse and dog track owners sue Governor Hull in federal court seeking either an injunction prohibiting the Governor from signing new Compacts or a ruling permitting the tracks to have slot machines.

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

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

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

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

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

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

2003 Governor Napolitano signs Compacts with an additional five Tribes.

2004 Appendix F(1) Blackjack – Revised

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

Appendix G Lotteries and Promotions

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

2005 Appendix C Security & Surveillance – Revised

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

Appendix H Minimum Internal Control Standards – Revised

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

2007 Appendix F(2) Jackpot Poker – Revised

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

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

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

- Further definition of the term “Gaming Facility” under the provisions of the Compact;
- Clarification to the Compact sections addressing Transfer of Gaming Device Operating Rights, Transfer and Acquisition of Pooled Gaming Devices, and related Agreed upon Procedures Reports from the Tribes;
- An increase in the maximum wager on a hand of blackjack from \$500 to \$1,000 at up to ten card game tables, and from \$250 to \$500 for all other card game tables in a Gaming Facility;
- An increase for a hand of poker from \$75/\$150 to \$500 at up to ten card game tables, and from \$20/\$40 to \$250 for all other card game tables in a Gaming Facility;
- Periodic increases in wager limitations, which are adjusted on each five-year anniversary of the effective date of the Compact based on the Consumer Price Index adjustment rate, shall be rounded up to the nearest \$5.00 increment rather than a \$1.00 increment;
- A waiver of the licensing requirement for vendors by the Tribal Gaming Office, in addition to the State Gaming Agency, if it is determined that licensing the vendor is not necessary to protect the public interest;
- An extended effectiveness period from one year to two years from date of issuance for Tribal licenses for Gaming Employees who are not required to have State certification or recommendation under Section 4(b) of the Compact;

HISTORY OF INDIAN GAMING CONTINUED

- Issuance, by the State Gaming Agency, of a temporary certification to an Applicant by the close of the next business day following receipt of a complete application, unless the State Gaming Agency has a good-faith basis to believe that the person may not qualify for State certification;
- Clarification that the State Gaming Agency shall have access to investigative files of the Tribal Gaming Office during, and upon completion of, any investigation of an unusual occurrence or a violation or suspected violation of the Compact, pursuant to a memorandum of understanding on information sharing entered into between a Tribe and the State;
- Clarification and establishment of a timeline for the State Gaming Agency and the Tribal Gaming Office for issuing, responding to, and resolving disputes regarding the annual, comprehensive, Compact Compliance Review of the Tribe's Gaming Operation, Gaming Facilities, and Gaming Activities conducted by the State Gaming Agency; and
- Clarification regarding the time frame that Tribal contributions pursuant to Section 12(d) of the Compact must be made.

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

Appendix F(1) Blackjack – Revised

- Modifications to Appendix F(1) clarify that the wager limitation in any blackjack game would be applied to each single wager that a player can make, based on the approved rules of the game, rather than the total combined amount wagered by a player during a hand.

Appendix F(2) Jackpot Poker – Revised

- Modifications to Appendix F(2) clarify that the wager limitation in any house-banked poker game would be applied to each single wager that a player can make, based on the approved rules of the game, rather than the total combined amount wagered by a player during a hand.

Appendix J Vendor Certification

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

Poker Memorandum of Understanding – Revised

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

Urban Tribes State Electronic Access System MOU

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

Information-Sharing MOU between the Tribe and ADG

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

Interagency Agreement between the Tribal Police Department and ADG

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

CONTACT INFORMATION

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