

Gambling Commission, Suquamish Tribe reach tentative agreement on gaming compact amendment

OLYMPIA, Wash. – The Washington State Gambling Commission has reached a tentative agreement with the Suquamish Tribe on an amendment to its Class III gaming compact. The proposed amendment includes new provisions for the Tribe.

Below is a summary of the major changes in the proposed amendment.

- Adds State Gaming Employee Registration verification as an alternative to State Certification of employees. When implemented, the Tribal Gaming Agency will still license new or renewing employees and then register them with the State.
- Allows operation of 125 gaming tables in one gaming facility or a combination of two facilities.
- Allows designated area for 25% of table games in operation to offer up to \$1,000 wagers and limited tables can offer up to \$5,000 wagers after customer screening.
- Allows operation of 3,000 player terminals in one gaming facility or a combination of two facilities.
- Allows \$30 wagers at the player terminals.
- Allows for extension of credit to qualified customers, based on screening criteria set out in the appendix, and documented in a memorandum of understanding.
- Maintains a commitment to a responsible gambling program and provides additional funding for problem gambling treatment.
- Provides additional funding for community impact and charitable contributions.
- Establishes a moratorium on additional changes to Appendix E until six months after Problem Gambling Task Force completes its report.
- Adds the ability to work on a pilot program to find an alternative to the annual regulatory fee process currently in Compact.

The Indian Gaming Regulatory Act of 1988 provides that Indian tribes may conduct Class III gaming activities on Indian lands when the gaming is conducted in conformance with a tribal-state compact. RCW 9.46.360 provides that the Gambling Commission negotiate those compacts on behalf of the state. The Suquamish Tribe's tribal-state compact for Class III gaming was originally signed on January 26, 1995, and this is the fifth amendment. Public comments regarding this compact amendment may be submitted to compactcomments@wsgc.wa.gov.

**FIFTH AMENDMENT TO THE TRIBAL-STATE COMPACT
FOR CLASS III GAMING BETWEEN
THE SUQUAMISH TRIBE AND THE STATE OF WASHINGTON**

INTRODUCTION

The SUQUAMISH TRIBE (hereafter “Tribe”) and the STATE OF WASHINGTON (hereafter “State”) entered into a Class III gaming compact (hereafter “Compact”) on January 26, 1995, pursuant to the Indian Gaming Regulatory Act of 1988 (hereafter “IGRA”). At the request of the Tribe, the Tribe and State entered negotiations for further amendments to the Compact. The parties have reached an agreement on Compact amendments as set forth in this document. The parties believe the conduct of Class III gaming under the terms and conditions set forth below will, from a regulatory perspective, benefit the Tribe and the State and protect members of the Tribe and citizens of the State consistent with the objectives of IGRA.

COMPACT AMENDMENT

1. Compact Section II, as previously amended, is amended to read as follows:

- II. “Gaming Employee Registration” or “Registration” means the process conducted by the State Gaming Agency to determine, from the State’s perspective, if a person is of good character, honesty and integrity; his or her prior activities do not pose a threat to the public or to effective regulation of this Compact; and that he/she is likely to conduct Class III Gaming activities in accordance with this Compact.”
- JJ. “Internal Controls” means the documents that describe the internal operational system or internal procedures of the Gaming Operation designed to promote efficiency, safeguard assets, and avoid fraud and error.

2. Amend Sections IV.C as follows:

- C. Gaming Employees. The Tribal Gaming Agency shall license Gaming Employees and may either work with State Gaming Agency to certify those employees as outlined in C1. below; or work with State Gaming Agency to verify Registration as outlined in C2. below. The options outlined in sections C.1 and C.2 are mutually exclusive and cannot be utilized at the same time. Transfer between the options is allowed as described in Section V.1.
 - 1. Gaming Employee Certification. Every Gaming Employee shall be licensed by the Tribal Gaming Agency and shall be certified by the State prior to commencement of employment, and annually thereafter. The Tribal Gaming Agency may immediately issue a license if the prospective employee has a current license or certification issued by the State Gaming Agency, the State Gaming Agency certifies that the prospective

employee is in good standing, and the employee consents to disclosure of records to the Tribal Gaming Agency.

2. Gaming Employee Registration. In lieu of the requirements imposed by Section IV.C.1, every Gaming Employee shall be licensed by the Tribal Gaming Agency prior to commencement of employment and as outlined in Tribal Gaming Code.

Every Gaming Employee shall be licensed by the Tribal Gaming Agency prior to the commencement of employment and at least every three (3) years thereafter. Every Gaming Employee must be registered with the State Gaming Agency and shall have their Gaming Employee Registration verified by the State Gaming Agency annually. The Tribal Gaming Agency shall provide a list of licensed and temporarily licensed Gaming Employees to the State Gaming Agency during the annual comparison review in the quarter of each calendar year as determined in the transition Memorandum of Understanding. The Tribal Gaming Agency shall include the licensee's complete name, aliases, date of birth, and identification number unique to the Gaming Employee's tribal license in its submission to the State Gaming Agency.

3. **Amend Compact Section V to add Section V.1 to establish procedures for transferring between certification and registration; renumber existing section V.A through V.O as Section V.2.A through O; and add a new Section V.3 for Registration.**

V.1. Transitioning from Certification to Gaming Employee Registration.

- A. If the Tribal Gaming Agency can demonstrate Tribal licensing expertise by meeting all of the criteria required in Section V.3 and the State Gaming Agency verifies the Tribal Gaming Agency has met the criteria, the Tribal Gaming Agency may choose to transition from Certification to the Registration provisions of this Compact.
 - a) The Tribe must operate under the Registration provisions, as provided in Section V.3, for at least two (2) years before returning to the Certification provisions, as provided in Section IV.C. If the Tribe chooses to return to the Certification provisions after at least two (2) years under the Registration provisions, they must operate under the Certification provisions for at least two (2) years before transferring back to Registration.
 - b) The Tribal Gaming Agency must demonstrate and verify that it meets all criteria in Section V.3, set out in the transition Memorandum of Agreement and every 3 years thereafter.
 - c) If the Tribe determines that the Tribal Gaming Agency no longer meets the requirements set forth in Section V.3, the Tribe will immediately notify the State Gaming Agency of their plan to transition

back to a Certification process and provide the State Gaming Agency 30 days' notice to update their processes and reprogram their systems.

- d) If the State Gaming Agency finds the Tribal Gaming Agency no longer meets the requirements in Section V.3, the State Gaming Agency will immediately notify the Tribe and request a meeting to discuss a transition plan back to a Certification process. Any dispute between the State Gaming Agency and the Tribe will be resolved in accordance with the dispute resolution provisions of the Section XII.

B. Submitting Transition Plan to State Gaming Agency.

- a) The Tribe will submit the proposed transition date and licensing and Registration plan to the State Gaming Agency at least ninety (90) days prior to transitioning. The ninety (90) day period will provide the State Gaming Agency time to reprogram their systems, properly train staff in the new procedures, and allow time for the State Gaming Agency to verify the Tribal Gaming Agency meets the Registration criteria.
- b) When transitioning to Registration, the Tribe must also provide documentation in their transition plan of how it meets the criteria in Section V.3.
- c) When returning to a previous process, the Tribe will notify the State Gaming Agency of their plan to transition to a previous process and provide the State Gaming Agency 30 days' notice to update their processes and reprogram their systems.

- C. Transition MOU. A Memorandum of Understanding will be agreed upon by both the Tribe and State Gaming Agency that includes at a minimum, transition date; fees; the submittal process and information to be included for Registration verifications; annual review; that Registration information must be submitted online; and include the Tribal Gaming Agency's verification that it meets all criteria in Section V.3.

V.3. Gaming Employee Registration

A. Criteria

Gaming Employee Registration requires the Tribal Gaming Agency to demonstrate Tribal licensing expertise without substantial or repeated, material discrepancies in conducting Gaming Employee background investigations. In order to qualify for Gaming Employee Registration, the following criteria must be met:

The Tribe has operated Class III Gaming and the Tribal Gaming Agency has licensed Gaming Employees for at least 20 years; and

The Tribal Gaming Agency regulations are regularly reviewed and updated; and

The Tribal Gaming Agency director has demonstrated active involvement with licensing denial, suspension, and revocation in accordance with the Tribe's Gaming Code; and

The Tribal Gaming Commission has demonstrated a history of active involvement in the licensing process and license appeal hearings; and

Tribal Gaming Agency licensing staff are fully versed in the Judicial Information System (JIS) including the Superior Court Management Information System (SCOMIS) or equivalent systems; and

Tribal Gaming Agency licensing staff reviews all Gaming Employee information provided in JIS, FBI records, and Lexis Nexis reports or equivalent systems.

The Tribe has demonstrated it meets all of the criteria above and documented in the transition Memorandum of Understanding.

B. Tribal Gaming Licenses.

- a) The Tribal Gaming license is valid at the Tribe's Gaming Facilities only and is non-transferable.
- b) The Tribal Gaming Agency, pursuant to the laws of the Tribe, may summarily suspend any Tribal license if the continued licensing of a person or entity constitutes an immediate and potentially serious threat to the public health, safety or welfare.
- c) Tribal Gaming Employees shall be licensed by the Tribal Gaming Agency in accordance with the Gaming Code.
- d) If Class II and Class III Gaming activities are combined in a Gaming area in a Gaming Facility, the parties agree that this could impact the regulatory scheme established under this Compact. In such event, the Class II Gaming Employees in such area shall be registered with the State Gaming Agency as if they were Class III Gaming Employees.
- e) The Tribal Gaming Agency shall establish the fees for Tribal gaming licenses.
- f) In order to ensure a qualified work force is maintained throughout the State in all areas of Class III Gaming as well as in all other types of gambling authorized in the State, the Tribal Gaming Agency will forward to the State Gaming Agency a copy of the final disposition of any administrative action or

legal proceeding taken by the Tribal Gaming Agency against a Tribal Gaming licensee.

- C. Respective Roles for Background Investigations for Gaming Employee Licenses and State Registration -- Tribal Gaming Agency.
- a) The Tribal Gaming Agency will be responsible for the issuance of all Gaming Employee licenses.
 - b) The Tribal Gaming Agency shall be primarily responsible for conducting background investigations for all Applicants for Gaming Employee licenses. Each Applicant for a Gaming Employee license shall submit the completed application along with the required information and fees to the Tribal Gaming Agency. Each completed application shall include the Applicant's fingerprint card(s), current photograph, and any other information required by the Tribal Gaming Agency.
 - c) The Gaming Operation shall not hire, or continue to employ a Gaming Employee, and shall terminate any Gaming Employee, if the Tribal Gaming Agency determines that the Applicant or Employee:
 - i. Has been convicted of any offense related to gambling, or any felony (excluding juvenile convictions) relating to fraud, misrepresentation, deception, theft, or physical harm to an individual within the past ten (10) years;
 - ii. Has provided materially false statements or information on his or her application or misstated or otherwise attempted to mislead the Tribe or the State with respect to any material fact contained in the application;
 - iii. Is a member or associate of organized crime or is of notorious or unsavory reputation; or
 - iv. Has a reputation, habits or associations that might pose a threat to the public interest or to the effective regulation and control of Gaming, or create or enhance the dangers of unsuitable, unfair, or illegal practices, methods and activities in the conduct of Gaming or the carrying on of the Tribal and financial arrangements incidental thereto.
 - d) It is intended that Applicants and Gaming Employees have the continuing burden to satisfy all doubts as to their fitness. Where doubt remains, an Applicant or Gaming Employee is not entitled to be hired or to remain employed.
 - e) Nothing herein shall be interpreted to prevent the Tribal Gaming Agency from considering juvenile convictions in a suitability determination, nor shall be

interpreted to excuse the Applicant of its obligation to disclose juvenile convictions or arrests.

- f) Additionally, the Tribal Gaming Agency shall not grant an application for a license unless it is satisfied that the Applicant's prior activities, criminal record (if any), reputation, habits, and associations do not pose a threat to the public interest of the Tribe or the State or the effective regulation and control of Gaming pursuant to this Compact, or create or enhance the dangers of unsuitable, unfair or illegal practices, methods, and activities in the conduct of Gaming or the carrying on of the Tribal and financial arrangements incidental thereto.
- g) When the Tribal Gaming Agency has completed its investigation of the Gaming Employee Applicant and has issued a temporary license, it will within five (5) business days:
 - i. Register on-line with the State Gaming Agency a new or renewing Gaming Employee or notify the State Gaming Agency of a Change of Name and pay the respective fees; or
 - ii. Mail a new or renewal Gaming Employee Registration or Change of Name application with respective fees;
 - iii. The Registration will include the Tribal Gaming Agency's investigative report; the Applicant's personal information; identification number unique to the Gaming Employee's tribal license; results of the investigation; a copy of a valid, federal, state, or tribal government-issued photo identification FBI fingerprint card; JIS results or its electronic equivalent, and the applicable fees to the State Gaming Agency.
- b) The Tribal Gaming Agency will use the State Gaming Agency's on-line process to notify the State Gaming Agency when a Gaming Employee is no longer licensed by the Tribal Gaming Agency.

D. Respective Roles for Background Investigations for Tribal Gaming Employee Licenses and State Registration -- State Gaming Agency.

- a) The State Gaming Agency will conduct a verification of Gaming Employee Registrations that are received either online or by paper application.
- b) The State Gaming Agency will complete the verification and notify the Tribal Gaming Agency if the results indicate the person may be unqualified pursuant to this section of this Compact. If the State Gaming Agency does not object, the Gaming Employee Registration will expire

three (3) years from the date of the Gaming Employee Registration, or upon notification of a tribal license revocation, or the person is no longer licensed by the Tribal Gaming Agency, whichever occurs earlier.

- c) The State Gaming Agency retains the right to conduct an additional verification of Gaming Employee Registration of any Gaming Employee at any time. There will be no additional cost to the Tribe.
- d) The State Gaming Agency's Gaming Employee Registration is valid at the Tribe's Gaming Facilities only and is non-transferable.
- e) For verification of Gaming Employee Registration, the State Gaming Agency may consider any prior criminal conduct or current probationary status of the 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.
- f) The Gaming Employee Registration will also include information as authorized under RCW 9.46.210(4) and as defined in RCW 10.97.030.
- g) The State Gaming Agency may find a person to be unqualified under the provisions of RCW 9.46.075 and rules promulgated thereunder. The State Gaming Agency may also find a person to be unqualified if such person has engaged in an activity contrary to the public interest, including but not limited to the following:
 - i. Who because of prior activities, criminal record, if any, or reputation, habits and associations poses a threat to the effective regulation of Gaming or creates or enhances the chances of unfair or illegal practices, methods and activities being used in the conduct of the Gaming activities permitted pursuant to this Compact;
 - ii. Has violated, failed or refused to comply with the provisions, requirements, conditions, limitations or duties imposed by any provision of a Tribal-State Compact;
 - iii. Has failed to provide any information reasonably required for Gaming Employee Registration;
 - iv. Has failed to reveal any fact which the person knows or should reasonably know is material to Gaming Employee Registration;
 - v. Has furnished any information which is untrue or misleading in connection with receiving Gaming Employee Registration;

- vi. Has had a Gaming license suspended for a year or longer, revoked or denied during the twelve (12) months prior to the date of Registration with the State Gaming Agency; is currently on probation imposed by any jurisdiction; or has demonstrated a willful disregard or failed to comply with the requirements of any Gaming regulatory authority in any jurisdiction, including offenses that could subject the Individual to suspension, revocation or forfeiture of any Gaming license; or
 - vii. Has demonstrated a willful disregard or failed to comply with the requirements of any Gaming regulatory authority in any jurisdiction, including offenses that could subject the person to suspension, revocation or forfeiture of any Gaming license.
 - h) The State Gaming Agency will work with the Tribal Gaming Agency when determining a person may be unqualified for Gaming Employee Registration.
 - i) If a person may be unqualified for Gaming Employee Registration, the materials compiled by the State Gaming Agency will be available to the Tribal Gaming Agency at the State Gaming Agency office upon request, subject to any constraints imposed by the State Gaming Agency's accreditation as a law enforcement agency, requirements under RCW 10.97, and status as a member of law enforcement intelligence sharing organizations, such as the Law Enforcement Intelligence Unit (LEIU), Fusion Centers, INTERPOL, and similar organizations.
 - j) State Gaming Agency licensing personnel and Tribal Gaming Agency representatives will conduct an annual Gaming Employee comparison review in a specific quarter of each calendar year determined in the MOU. This review will ensure that State Gaming Agency and Tribal Gaming Agency Gaming Employee Records agree to one another. Any discrepancies found will be resolved by the Tribal Gaming Agency and notification provided to the State Gaming Agency. Unresolved discrepancies will be resolved in accordance with Section XIII of this Compact. The Tribal Gaming Agency and the State Gaming Agency will update their respective records as needed. The State Gaming Agency will conduct an annual comparison review in a specific quarter of each calendar year determined in the Memorandum of Understanding to include random sampling of Gaming Employee applications to demonstrate all the criteria for licensure and Gaming Employee Registration as set forth in this Compact have been met.
- E. Respective Roles for Background Investigations for Tribal Gaming Employee Licenses and State Registration -- Tribal Gaming Agency and State Gaming Agency.

- a) A licensed Gaming Employee seeking renewal of their Gaming Employee license or re-registering with the State Gaming Agency shall update information originally submitted, 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 State Gaming Agency. A Gaming Employee that has applied for renewal prior to expiration may continue to work under the expired Tribal license until the Tribal Gaming Agency or State Gaming Agency takes action on the renewal application.
- b) For persons found to be unqualified at any time they are registered by the State Gaming Agency, the Tribal Gaming Agency and State Gaming Agency will work together to determine if the person should work for the Tribe's Gaming Facilities in a position that requires a Gaming Employee License. If the Tribe can show extenuating circumstances why a person who does not meet all criteria should be further considered, the Tribal Gaming Agency may waive, through a conditional Gaming Employee License, certain criteria if the waiver does not pose an appreciable risk to the public or the lawful operation of the Gaming Facilities or meet the criteria under V.3.C(c).
- c) If, after working with the Tribal Gaming Agency, the State Gaming Agency still finds the person unqualified, the State Gaming Agency will provide written notice to the Tribe itemizing the objections. The Tribe, however, will make the final decision whether to issue a license or continue employment of the person. The State Gaming Agency's Gaming Employee Registration of the person will be limited to the Tribe only and the Tribe will continue to register the person with the State Gaming Agency as long as the person is employed by the Tribe in a Class III Gaming position.

F. Fees for State Gaming Employee Registration.

- a) Initial and renewal fees for the three-year Gaming Employee Registration will be documented in a Memorandum of Understanding.
- b) Registration and renewal fees may be adjusted by mutual agreement three years from the adoption of this amended Compact, or at any time thereafter.
- c) The Tribal Gaming Agency will reimburse the State Gaming Agency for the costs to transition to Registration.
- d) The Tribe will reimburse the State Gaming Agency for the time it takes for the comparison review within 60 days of receiving a bill.

4. Add Compact Section XV.D.9 to read as follows:

9. If the Washington State Lottery approves a purchase price per ticket greater than that provided under this Compact, the Gaming Operation may increase its maximum wagers and purchase price for scratch tickets or On-Line Lottery Wagers to match the Washington State Lottery increase, provided that the State and Tribe agree to incorporate into the Compact only the specific provisions and restrictions related to the purchase price, and such agreement will be documented in a memorandum of incorporation.

5. Amend Appendix X2, Section 13.4, to add 13.4.6:

13.4.6 Alternative Fee Method - Pilot. If the State Gaming Agency and the Tribe desire to define and pilot an alternative method to determining State Gaming Agency Regulatory Fees, the Parties may agree, whether on a trial or permanent basis, to such method as memorialized in a Memorandum of Understanding.

6. Add Appendix E - Limitations On Wagers, Credit, Facilities; Problem Gaming Resources And Contributions; Moratorium, in the form attached to this Amendment, in its entirety.

IN WITNESS WHEREOF, the Suquamish Tribe and the State of Washington have executed this Fifth Amendment to the Compact.

SUQUAMISH TRIBE

STATE OF WASHINGTON

BY: _____
LEONARD FORSMAN
Chairman

BY: _____
JAY INSLEE
Governor

DATED: _____

DATED: _____