

Arizona has active role in casino oversight, report says



Sue Doerfler, The Republic | azcentral.com

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(Photo: Courtesy of Gila River Gaming Enterprises, Inc.)

Arizona is one of only seven states that take an active regulatory role in Indian gaming and oversight, according to a General Accountability Office report that reviewed the effectiveness of regulation over the past 25-plus years.

That oversight has helped build credible facilities to create an economic growth engine for Arizona tribes, according to state gaming representatives.

The other states that take active regulatory roles are Connecticut, Kansas, Louisiana, New York, Oregon and Wisconsin.

Arizona also is among six states that accounted for about 60 percent of all Indian gaming operations and Indian gaming revenue generated in 2013, said the report, "Indian Gaming: Regulation and Oversight by the Federal Government, States, and Tribes." It was released last month.

The other states are California, Oklahoma, Washington, Michigan and New York.

According to a 2012 Arizona Indian Gaming Association report, Indian gaming generated about \$1.8 billion in revenue that year. Indian gaming employment topped 15,000 in 2012, the report said.

More recent data is not available.

Arizona tribal contributions to the state, cities, towns and counties totaled \$97.6 million in fiscal 2013 and \$97.8 million in fiscal 2014, according to the Arizona Department of Gaming. The state has 23 Class III casinos, which have gaming, such as slot machines and blackjack tables.

Sen. John McCain, R-Ariz., was among the U.S. senators who requested the GAO study to investigate the effectiveness of the Indian Gaming Regulatory Act, which was enacted in 1988. The GAO surveyed more than 400 gaming operations in 28 states, which generated revenue totaling \$28 billion, according to the report.

The report found that, overall, the act has been successful in increasing economic growth among tribes, said Anne-Marie Fennell, director of the GAO's Natural Resources and Environment division.

It also found that regulatory measures differ by state, ranging from basic, informal monitoring to more active roles, such as in Arizona, where gaming operations are monitored on a weekly, monthly and annual basis.



The Gila River Indian Community's Lone Butte Casino, Loop 202 and Kyrene Road, has 794 slot machines. (Photo: Courtesy of Gila River Gaming Enterprises, Inc.)

In conducting the report, GAO staff visited the six states, including Arizona, that accounted for the 60 percent of all Indian gaming operations and revenue to gain a first-hand look at how oversight and regulations were working.

In Arizona, their first stop, GAO staff visited both rural and urban gaming facilities, touring San Carlos Apache operations in southeastern Arizona and metro Phoenix tribal operations, Fennell said.

The GAO interviewed tribal officials and examined regulatory roles, among other actions, she said.

Valerie Spicer, director of the Arizona Indian Gaming Association, helped coordinate the February 2014 visit and said she considered it an opportunity to show how well Indian gaming is working in the state.

"The unique thing we had to show is that tribal gaming (in Arizona) has three levels of oversight: tribal gaming commission, state gaming regulations and a federal level," Spicer said. "Here in the state of Arizona, having a well-operated, credible facility is essential."

Fennell said that the Arizona visit served as a benchmark for visiting gaming operations in other states. It gave the GAO team knowledge of what to expect as well and helped them develop questions to ask, she said.

The GAO concluded the report with four recommendations, one of which was that the National Indian Gaming Commission, an independent federal regulatory agency set up by the Indian Gaming Regulatory Act, seek input from states on minimal control standards for gaming casinos.

Another recommendation was that the commission review and revise performance measures as needed to better assess training and technical assistance efforts.

In a letter to the GAO, also included in the report, the National Indian Gaming Commission generally agreed with the recommendations.

Spicer said the Arizona Indian Gaming Association was pleased with the outcome of the report and recommendations.

"We're going to continue to work with the state and local NIGC office to make sure oversight continues," she said.

Fennell said the National Indian Gaming Commission will report to Congress as to how it intends to address the recommendations and that the GAO will monitor the progress over the next four years.

ARIZ. TRIBAL GAMING BY THE NUMBERS

 **23**

Number of Class III casinos.

 **\$97,581,815**

Fiscal year 2013 tribal contributions to the state, cities, towns and countries.

 **\$97,839,446**

Fiscal year 2014 tribal contributions to the state, cities, towns and countries.

 **\$9,725,000**

2013 state funding for regulating Indian gaming.

 **More than 15,000**

2012 employment.

 **\$1.8 billion**

2012 revenue.

Sources: Arizona Department of Gaming, GAO, Arizona Indian Gaming Association.

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