

Numbers show the real picture

<http://www.indiancountry.com/content.cfm?id=1018185153&CFID=436118&CFTOKEN=11146677>

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Along with the rapid expansion of Indian gaming across the U.S. have come a number of misconceptions about the casinos operating on Native American lands, and the funds taken in therefrom. Data culled from the web sites of both the National Indian Gaming Association and the American Gaming Association paint a clearer picture of gaming in Indian country.

Of the 562 federally recognized tribes in the U.S., only 201 participate in class II or class III gaming. Class II encompasses such games as bingo, pull-tabs, lotto, punch boards and certain card games permissible under individual state laws. Class III includes everything else, i.e. casino-style table games like roulette and craps, and card games like poker and blackjack. Tribally run casinos currently operate in 29 states under a total of 249 separate gaming compacts. In order to participate in class III gaming, tribes must negotiate compacts with the state in which the games are to be played.

By comparison, commercial (non-Indian) casinos are currently legal in 11 states. Lotteries are permitted in 40 states and the District of Columbia. Pari-mutuel wagering (betting on horse and dog races with proportional payoffs) is allowed in 41 states, while charitable gaming is above board in 47 states and D.C.

Tribal governments garnered approximately \$10.6 billion in gaming revenues in 2000, an amount representing less than 10 percent of the entire gaming industry's nationwide revenues. The AGA, which represents commercial casinos, listed Connecticut's two Indian casinos as the nation's fourth largest casino market in the country in 2000, with revenues that year of \$1.9 billion. Foxwoods and Mohegan Sun came in behind the Las Vegas Strip (\$4.8 billion) Atlantic City, N.J. (\$4.3 billion) and "Chicagoland," which includes parts of Illinois and Indiana (\$2.0 billion).

The 1988 Indian Gaming Regulatory Act, restricts tribes as to how gaming monies can be spent. Such revenue must be used for funding tribal government operations and programs, providing for the general welfare of the members and the tribe as a whole, promoting economic development, donating to charitable organizations or assisting local governments with funds.

According to NIGA, fully three-quarters of involved tribes devote their entire gaming take to these five priorities above and do not distribute per capita payments to members. Those that do issue such payments must first allocate funds for the five priorities before the Secretary of the Interior will grant the required approval. Tribal members receiving such payments must pay federal income tax on them. Only 47 gaming tribes make per capita revenue payments to their members.

Tribal gaming operations currently employ some 250,000 people across the country, 75 percent of them non-Indian. In regions of higher unemployment, however, the percentage of Indian employees is likely to be higher; for example 80 percent of casino employees in North and South Dakota are Indian.

Indian gaming can only take place on trust lands held by the federal government. Since 1988, NIGA reports that only 23 land-into-trust acquisitions for gaming purposes have taken place. During that same time period, only three off-reservation land-into-trust acquisitions have occurred. This land is, of course, taken off the local tax rolls; title is held in trust by the feds for the Indian tribe in question.

While there is a misperception that Indian gaming is unregulated, the industry actually has three levels of oversight. The individual tribes' gaming commissions serve as the primary regulators of casino and gambling operations, directly overseeing activities at tribally owned gambling venues. Under state/tribal gaming compacts, a degree of state oversight is often mandated, usually through a state gaming control board. Finally, federal regulation comes under the aegis of the National Indian Gaming Commission.

Many tribes have proven to be good neighbors when it comes to sharing revenues with their local non-Indian communities; NIGA estimated that tribes' charitable giving in 2000 totaled \$68 million. Tribes have earmarked gaming revenues for donation to youth and elderly programs, schools, athletic teams and leagues, social welfare groups, programs for pathological gamblers and other such worthy organizations.

NIGA's web site can be accessed at www.indiangaming.org. AGA's web site is located at www.americangaming.org.

Fact Sheet on Indian Gaming

From the California Nations Indian Gaming Association website
<http://www.indiangaming.org/library/indian-gaming-facts/index.shtml>

SIZE:

- * Total number of federally-recognized Indian Tribes: 562
- * Number of Tribal Governments engaged in gaming (Class II or Class III): 225
- * Number of Tribal Governmental gaming operations: 423 (several Tribes operate more than one facility)
- * Number of states with Tribal Governmental gaming: (Class II or Class III) 28
- * Number of Tribal-State gaming compacts: 249

REVENUE:

- * Tribal Governmental gaming revenue in 2006: \$25.7 billion
- * Many Tribes operate gaming facilities primarily to generate employment

EMPLOYMENT:

- * Total number of jobs: 670,000
- * National percentage of Indian to non-Indian employees: 75% non-Indian, 25% Indian
- * In areas of high unemployment like North and South Dakota, 80% of Tribal governmental gaming employees are Indian.

LAND:

- * The IGRA requires that land taken into trust status must 1) benefit the Tribe, 2) NOT be detrimental to the surrounding community and 3) be approved by the State Governor
- * Only 23 total land-into-trust acquisitions since 1988 for gaming purposes.
- * Only 3 off-reservation land-into-trust acquisitions since 1988 (Only 78 total acres)

FEDERAL RECOGNITION:

- * Only 16 Tribes have received Federal Recognition through the "Federal Acknowledgement Process" since 1978
- * Only one of those Tribes has gaming
- * 24 petitions for Recognition have been denied since 1978

PATHOLOGICAL GAMBLING:

- * National prevalence rate of 0.8 percent for lifetime pathological gambling
- * Compare lifetime figures for:
 - o Alcohol dependence - 13.8 percent
 - o Drug dependence - 6.2 percent

o Major depression - 6.4 percent

* Indian Tribes have model programs for problem gamblers. In many areas, like Arizona, North Dakota and Connecticut, Indian Tribes are the primary funding source for such programs

USE OF NET REVENUES

Revenues from Tribal Governmental gaming must be used in five specific areas
The Indian Gaming Regulatory Act (25 U.S.C. 2710 [Sec. 11]), net revenues from any tribal gaming are not to be used for purposes other than-

- * To fund Tribal Government operations or programs;
- * To provide for the general welfare of the Indian tribe and its members;
- * To promote Tribal economic development;
- * To donate to charitable organizations; or
- * To help fund operations of local government agencies.

PER CAPITA PAYMENTS:

* Three-fourths of gaming Tribes devote all of their revenue to Tribal governmental services, economic and community development, to neighboring communities and to charitable purposes and do not give out per capita payments

* Tribal Government services, Economic and Community development, general tribal welfare, charitable donations and any requirements for aid to Local governments must be provided for before a Tribe can file for a "Revenue Allocation Plan"

* The Secretary of Interior must approve any per capita payments as part of a "Revenue Allocation Plan"

* Only about one-fourth of Tribes engaged in gaming distribute per capita payments to tribal members (73 Tribes)

* Tribal members receiving per capita payments PAY FEDERAL INCOME TAX on these payments

REGULATION:

* Tribal Governmental gaming is regulated on three levels.

* Indian Nations are primary regulators of Indian gaming. Under the Indian Gaming Regulatory Act (IGRA), Tribes establish the basic regulatory framework for Indian gaming.

* State regulation may be included in Tribal/State compacts for Class III gaming.

* Federal agencies enforce laws relating to Indian gaming, including the National Indian Gaming Commission, the Interior Department, The Justice Department, FBI, IRS, Secret Service and the Treasury Department's Financial Crimes Enforcement Network

Federal law makes it a crime punishable by up to ten years in prison to steal, cheat, or embezzle from an Indian gaming operation, and that law is enforced by the FBI 18 USC ss. 1163.