TULE RIVER TRIBE GAMING COMMISSION

"Protecting the assets of the tribe"

Established 1994

April 26, 2012

Mr. Stuart Drown, Executive Director
Little Hoover Commission
925 L Street, Suite 805
Sacramento, CA 95814

RE: Comments to Governor's Reorganization Plan – California Gambling Control Commission (CGCC) and the Bureau of Gambling Control – Division of Law Enforcement, Department of Justice (DOJ)

Dear Mr. Drown:

The Tule River Tribe would like to take this opportunity to make some brief comments in regard to the Governor's Reorganization Plan (GRO) concerning a consolidation of the above two Departments/Entities. The Tribe would like to preface its official comments with this statement. The Tule River Tribe Gaming Commission has worked much closer, than the Tribal Government as a whole, with the CGCC and the DOJ since the Class III Gaming Compact was entered into between the State of California and the Tule River Tribe in 1999. There were some difficult situations to work thru during the initial time frame of the Tribe and the State attempting to develop a working relationship. The Tule River Tribe Gaming Commission has expressed the fact that more recently, the Tribe's Gaming Commission and the State departments/entities have developed a very professional working relationship, though not always in agreement, there has developed what the Tribe views as a mutual respect, which had been lacking in the past.

The following comments are being presented from the Tule River Tribe's perspective and are based upon the Tribe's ongoing relationship with both California State departments/entities and the experience gathered from the professional encounters.

GRP

The Tule River Tribe respects the fact that the intent of the GRP is to reduce costs and enhance the efficiency of the functions that CGCC and DOJ are supposed to fulfill. It is the Tribe's understanding that one of the paramount functions that the CGCC and DOJ are intended to carry out in their role as a part of regulating gaming is to protect the integrity of the California gaming industry. The Tule River Tribe is very aware of this concept and has developed an understanding of this as well as any government.

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Licensing

As to the licensing function, the Tribe is aware that the CGCC has been responsible for the initial and renewal of licenses for the tribal key employees, tribal gaming resource suppliers and financial sources and in the past there were concerns with loss of various licensing documents that have been misplaced, but those situations have not occurred recently and the working experience of the CGCC has improved greatly. It is also the Tribe's understanding that at present once a licensing application package is completed, the CGCC staff would forward said package to the DOJ to perform an investigation. Based upon the recent performance of the licensing functions by the CGCC, it appears that its responsibilities are being completed appropriately. The transfer of information to the DOJ in regard to licensing applications and the investigation in relation to licensing applicants appears to be functioning effectively.

Compliance

There are four elements identified in the Tribal – State Compacts that require CGCC to review.

- Financial reviews of contributions to the Special Distribution Fund (SDF) or General Fund in various Compacts and or a fee per gaming device;
- CGCC conducts reviews and inspections of internal control standards, adopted by the tribal gaming agencies, as identified in the Class III gaming compacts and as referred to in the CGCC 8;
- The CGCC conducts reviews and inspections of electronic gaming devices for purposes of reviewing Tribes compliance with various terms of specific Compacts in relationship to the testing of said devices;
- The CGCC is the Administrator and Trustee of the Revenue Sharing Trust Fund (RSTF).

It is the Tribe's understanding that the GRP indicates that all auditing functions under tribal compacts shall be performed by the DOJ, which means the top three elements listed above would be transferred to the DOJ from the CGCC.

GRP Implementation and Impact Upon Tribal Regulatory Functions

The Tribe believes that there are of course additional actions that need to take place in order to insure that said implementation of the GRP is done appropriately, for instance the amendment to regulations to transfer the responsibilities appropriately, Gambling Control Act amendments and/or adjustments or amendments to sections of the Business and Professions Code that now refer to the CGCC as opposed to the DOJ. There may be additional internal issues that need to be addressed as far as transferring personnel and communicating with the Tribes.

The recommendations that the Tule River Tribe have in regard to the above GRP are as follows:

- **That the Tribe be kept informed with the specifics of the consolidation process;**
- **That the transfers of personnel be submitted to the Tribe as they occur should the transfers occur in stages;**
- **That clarification of the duties and the responsibilities of each department or entity be submitted to the Tribe;**

- That perhaps this issue could be brought forward in a network meeting between the CGCC and the DOJ and the Tribes before the consolidation process is officially completed just for review and comment.

Please be advised that the Tule River Tribe has always been concerned about the fact that there was, at various times, a lack of clarification in regard to the review functions of the CGCC and DOJ and the fact that at times there appeared to be duplication of review of areas of the Compact which caused an interference into the day to day operations of the Gaming Operation and that of the day to day regulatory functions. This particular area needs to be focused upon in detail in relation to the consolidation process.

Respectfully Submitted

Mike Williams, Chairman
Tule River Tribe Gaming Commission