

INDIAN 20 GAMING 11



**NATIONAL
INDIAN
GAMING
ASSOCIATION**

Rebuilding
Communities
Through Indian
Self-Reliance

2010

NATIONAL INDIAN
GAMING ASSOCIATION
ANNUAL REPORT

NIGA Tax Exempt Statement

The National Indian Gaming Association (NIGA) is a tax exempt corporation under Internal Revenue Code section 501(c)(6). Although ruled tax exempt, this does not make NIGA a “charity” and thus contributions to the organization are not deductible by the donor as a charitable contribution for federal Income Tax purposes. NIGA was founded in 1985 and incorporated in the District of Columbia in 1993.

Mission Statement

The mission of the National Indian Gaming Association (NIGA) is to protect and preserve the general welfare of the Tribes striving for self-sufficiency through gaming enterprises in Indian Country. To fulfill its mission, NIGA works with the federal government and Congress to develop sound policies and practices and to provide technical assistance and advocacy on gaming related issues. In addition, NIGA seeks to maintain and protect Indian sovereign governmental authority in Indian Country.



CHAIRMAN'S REPORT

ERNEST STEVENS, JR.

Oneida Nation of Wisconsin

It is an honor and a privilege to serve as your Chairman and I bring you this 2010 Annual Report for the National Indian Gaming Association. For 26 years, the National Indian Gaming Association has defended Tribal sovereignty, Indian gaming, and the right of Tribes to determine their own economic destiny. We are indebted to past NIGA leaders who set the standard for defending these principles. Government policies, from Washington D.C. to State Capitols, continually present challenges to Indian Country and Tribal sovereignty. With Tribal leader direction and support, in 2010 we successfully stood up to these challenges for the betterment of Indian Country and for the Indian gaming industry as a whole.

There is no doubt that in 2010 we continued to confront the aftermath of one of the worst economic downturns since the Great Depression. While not without our share of challenges, Indian gaming remained strong and resilient in the face of these tough economic conditions. When IGRA passed in 1988, no one outside of Indian Country would have predicted that Tribes would be able to bring Indian gaming this far. In those early days, NIGA faced challenges from every direction, the Congress, State Governments, commercial gaming, and a skeptical and uninformed media. Throughout the years, the NIGA leadership has maintained a united front, diligently working to defend our inherent right of tribal self-government and protecting the Indian Gaming Regulatory Act from damaging legislation and litigation. Overall, I'm proud to report that in 2010, NIGA and our Tribal members remain united as we continue to assertively educate those who do not see Indian gaming as a legitimate exercise of our sovereignty.

Last year our tribal gaming properties again proved that we have some of the finest and best run facilities in some of the most beautiful settings in the world. However, we are always mindful that many Tribes do not have the same economic opportunities and that we have a responsibility to help them battle back from their economic struggles. Certainly, our work is cut out for us. However, it is far cry from what our ancestors faced in the absolute destruction of our Indian culture and way of life. For our ancestors, we can and will overcome this economic turmoil as we do everything in our power to continue rebuilding our culture, community, and Indian way of life. Indian Country understands it is not about gaming, it is about economic survival and providing for our future generations.

National Indian Gaming Association 2010 Year In Review

In 2010, NIGA worked with the new NIGC leadership and other Federal Agencies. We had an exciting end of the year as Indian Country came together in November for the second annual summit with President Obama to discuss the challenges facing our communities.

NIGA will work with the National Congress of American Indians, regional tribal organizations, and many tribes throughout Indian Country, to aggressively set an agenda for Indian Country in 2011. Last year, Tribal consultation was a top priority and the President responded with some key initiatives such as his Executive Order requiring agencies to review their tribal consultation policies. Indian Country should be encouraged by President Obama's actions so far, especially his continuing pledge to work with Tribal Governments on a government-to-government basis. NIGA plans on continuing its work with the Administration this year on creating economic and social policies that work for Indian Country.

On November 28th, 2010, the United States celebrated Native American Heritage Day. House Joint Resolution 40 passed both houses of Congress in 2009 and President Obama signed the Resolution into law. This is the third year we celebrated the day and it remains an important step to pave the way for this Country to celebrate Native American Heritage Day on a yearly basis. We are encouraged by the potential of Native American Heritage Day to educate the Country about Native American history. We believe that education is the key to bringing a clear understanding of our history and its impact in shaping this Country as well as the contemporary role Native American's have in society today.

In 2010, celebratory events were held in Washington, D.C. and Phoenix, Arizona. Arizona Indian Tribes joined the Native American Basketball Invitational (NABI) to celebrate Native American Heritage Day with the Phoenix Suns at the U.S. West Arena. This was a great moment for Indian Country and an opportunity to officially recognize and formally celebrate the historical achievements and the major contributions to the American democracy by Native America.

For the last four years, the NIGA Spirit of Sovereignty Christmas drive has been held in conjunction with the Lakota Nations Invitational (LNI), which is a major celebration of Lakota culture, education, arts and athletics held in Rapid City, South Dakota. The Spirit of Sovereignty Christmas drive was once again an awe-inspiring opportunity to provide to the Oglala Lakota

youth in South Dakota. I am very grateful for the continued support we get from the contributors throughout Indian Country and within Indian gaming who help give towards this effort. It is because of their generosity that NIGA is able to give Christmas gifts to many who normally would go without during the holidays. Thank you so much to all the Tribes, associate members, and individual supporters who made this happen for another year.

2010 Federal Indian Policy

We entered 2010 with Congressional elections set for November. The results of those elections changed the political landscape in America, but for Indian Country it is just another opportunity to educate a new class of Congressmen and women on the trust responsibilities of the Federal Government towards Tribes. As I travelled through Indian Country in 2010, it is clear we are not exempt from the economic hardships that helped usher in new political leaders. What I noticed though, is a high concern for our neighbors' well-being as much as we are worried about our own communities. Tribal Governments are struggling with the very same problems that State and local governments are facing: a smaller revenue pool to fund essential services to our citizens. NIGA continues to monitor the concerns in several Tribal communities throughout Indian Country where Tribal government gaming is down and our schools, police, fire, and health care are suffering. As we head into 2011, our Tribal Governments must plan accordingly and with the knowledge that Indian Gaming has been, and will continue to be, a resilient and strong industry that is capable of adapting to the difficult economic situation confronting us all. We look forward to discussing these important economic issues more fully at NIGA's 2011 Tradeshow and Convention.

Tribes Are Partners In This Nation's Economy

Nationwide, there are 237 tribes in 28 states with gaming operations that help to create new jobs, fund essential government services and rebuild communities. Our early indicators for Fiscal Year 2010 show that total Indian gaming revenues are down from 2009. These economic indicators, compiled from tribes across the country, provide a

snapshot of the strength and resiliency of the Indian Gaming community. While our revenue numbers are down, Indian gaming remains strong in certain regions of the country.

However, the current economic climate reveals just how integrated Indian gaming has become with the national economy. Tribes continue to inject several billion dollars worth of income on capitol costs, operations and maintenance, security and surveillance, goods and services. Tribal governments rely on their portion of gaming revenue to reinvest in, and pay for, education, health care, police and fire protection, housing, water and sewer service, transportation, government infrastructure and community development.

Indian gaming and related economic activity continues to generate over \$9 billion in Federal taxes and revenue savings through reduced welfare and unemployment benefit payments. In addition, Indian gaming generated over \$2 billion in state government revenue and an additional \$100 million in local government revenue.

In 2010, despite the economic downturn, Tribal governments continued to give generously. Tribes donated over \$100 million in charity, including donations to surrounding communities and charities in addition to other Indian tribes, tribal charitable foundations, and reservation charitable causes.

In Closing

Heading into 2011, our industry stands resilient and remains well suited to tackle the economic challenges of the day. Our strong standing has been made possible with the help of our Member Tribes, Associate Members, and many others who support our mission and goals. On behalf of the NIGA Membership, we salute all of you who continue to support the National Indian Gaming Association and our mission. I am pleased to serve as your Chairman and look forward to 2011 with a commitment to hard work and a strong presence in the Nation's Capitol as well as Indian Country. Maintaining our hard won economic freedom is going to be a constant and continuing goal of NIGA. We can never rest because history has taught us that challenges to Tribal sovereignty will continue to come our way. While we are pleased with the climate of the new administration, we know we must do our part and

be prepared to work hard in order to develop this new relationship with the federal government. As our Tribes and industry professionals can attest to, Indian Country is now a full partner in the economic well being of this Country. Because of this, the vast majority of the public continues to support Indian gaming. However, NIGA can never waver in its mission to promote, educate, and protect tribal sovereignty. I look forward to working with our Member Tribes this year, NCAI, and our regional gaming associations, as we all continue to move in advancing the lives of Indian people economically, socially, and politically. Best wishes to you and your family this year. Thank you.



SECRETARY'S REPORT

LYNN "NAY" VALBUENA

Vice Chairwoman, San Manuel Band of Mission Indians

After 14 years as secretary of the National Indian Gaming Association (NIGA), I have decided that now is the time to pass the torch onto the next generation. My tenure as secretary has been among the most rewarding experiences of my career. While I look at my time at NIGA with great sentiment, I feel strongly that by working together, we have made significant achievements that will serve our tribal communities well into the future.

Over more than a quarter-century, we have witnessed a renaissance of sorts across Indian country as tribal nations have made great strides toward self-sufficiency and are fulfilling their governance responsibilities as never before.

By exercising our governmental right to conduct gaming on our lands, tribal nations have created badly needed jobs and other opportunities in our communities. In addition, many more of our young people are realizing their dreams and pursuing higher education. Just as important, many more of our elder tribal members benefit from services and assistance that enable them to be a little more secure in their golden years.

Tribal government gaming has become a significant economic development resource not only for tribal nations, but non-tribal communities across this country. I am fortunate to have been a small part of these achievements.

This has not been easy, however, and the task is far from being complete as too many tribes still face uncertainty, difficult challenges, and long odds for development and opportunity in their communities.

If we have learned anything, it has been that any point in history when tribal nations had something of value, someone stood in the wings planning ways to take it away. We have learned to expect this and, in the process, have learned how to protect our resources so that we might not only survive, but ensure a future for generations yet to come.

We have also learned from our history that when Indian nations are united, we achieve the impossible! The history of Indian nations across the country is filled with great examples of united tribes achieving great things against huge odds.

In 1680, the Pueblo Revolt, undertaken by members of the Pueblo nations from Taos to Hopi, was successful in overthrowing Spanish colonization following years of cruel treatment and being barred from practicing their Native religion. The Revolt was successful because the Pueblos were united in their objective of protecting and reclaiming their culture and religious practices.

A united alliance among the Lakota, Cheyenne and Arapaho Tribes defeated

the 7th Calvary at the Battle of the Little Big Horn in 1876. The defeat inflicted upon General Custer has come to symbolize what is possible even against significant resources and capability when tribal nations unite for a single purpose.

In a more modern context, tribal nations will remember how the battle against the Unrelated Business Income Tax (UBIT) was won in 1996. The House Ways and Means Committee Chairman at the time, Bill Archer of Texas, was pushing the Committee to apply the UBIT to tribal government gaming activities. Our tribal nations were successful in defeating this effort because they came to Washington, DC, with a single purpose and effectively executed their plan.

In 1998, California tribal nations faced great uncertainty with our gaming operations. We did not know from one day to the next if federal and state law enforcement might come onto our reservations to shut down our operations. The tribal nations stayed together and were successful in an historic public vote that support our gaming efforts in a significant way with Prop 5. Not long after the vote, a court ruling invalidated Prop 5, however the tribes stayed together for yet another public vote on Prop. 1-A, and won by an even larger margin! Again, this would not have been possible if it were not for the unity among the tribes.

As I hand the reins over to the next NIGA secretary, I am pleased to report that while the state of the organization is strong, I must also caution that as a trade association, it will be our ability to meet the challenges of our day that will determine the future of tribal government gaming. Our mission as an organization first and foremost is to protect and facilitate the growth of the tribal government industry.

It is becoming more of a challenge today to stay united as we confront issues that sometimes pits tribe against tribe, or region against region. To overcome these conflicts, we must exercise a brand of leadership that unites Indian country.

And we must embrace the principal that to be united, there must be mutual respect among tribal nations. We must respect those things that tribal nations hold most sacred, those things that make

us who and what we are. If we do these things, we can look ahead to many more years of success and growth toward true self-reliance and self-determination for all tribes.

It has been a wonderful experience to serve as the NIGA Secretary during my 14-year tenure. I have many fond memories and I thank you for giving me that opportunity. I will continue to stay active and involved because I have the passion to serve Indian Country.

Respectfully,

Lynn "Nay" Valbuena
NIGA Secretary
Vice Chairwoman –
San Manuel Band of Mission Indians



EXECUTIVE DIRECTOR'S REPORT

MARK VAN NORMAN

Cheyenne River Sioux

In 2010, NIGA and its member Tribes faced several legislative and regulatory challenges. I am proud to report that in 2010 NIGA had a successful year and we were able to achieve several regulatory and legislative victories.

In November, voters went to the polls and elected new Congressional leaders in the United States House of Representatives and Senate. As Tribal Leaders and Indian organizations convened to welcome the incoming 112th Congress, NIGA held a special legislative meeting in March to discuss the most pressing issues confronting Indian Country: the Carcieri issue, Internet gaming, and IRS Taxation of Tribal Health and Education benefits. NIGA, along with several Tribal leaders attended the swearing-in ceremonies for several of the new Senators and Congressional representatives and put forward these issues for Indian Country in 2011.

Tribal leaders again voiced strong support for NIGA's position that Indian tribes should be treated as governments under any internet gaming legislation. NIGA will also continue to press for fair treatment of Tribal Governments by the IRS. Naturally, as government employers, Indian tribes continue to support employee rights and interests and tribal governments have established tribal health care and education programs.

Last November, Tribal leaders came out in unprecedented numbers to the President's second Tribal Leaders' meeting. This is a great opportunity to review Indian Country issues with the White House and federal agencies. These tribal leader meetings are part of President Obama's outreach to Indian Country and a follow-up to his November 5, 2009, Executive Memorandum directing each agency head to submit to the Director of the Office of Management and Budget (OMB) a detailed plan of actions the agency will take to implement the policies and directives of Executive Order 13175.

NIGC Regulatory Review

For several years, NIGA and our member tribes have voiced their objections to the fact that the National Indian Gaming Commission (NIGC) will not follow the Presidential Executive Order on Consultation. NIGA and our member tribes have specifically requested that the NIGC follow the normal federal laws and administrative rules on the development of regulations, and consult and coordinate with tribal governments. That means a relationship based on mutual respect between sovereigns and decision-making based upon mutual consent by both sovereigns.

With a new NIGC leadership in place, we requested that the NIGC, as a commission organized under the Department of the Interior, should follow the

administrative rules for federal agencies, including:

- Executive Order 13175, Consultation and Coordination with Tribal Governments;
- Executive Order 12866, Regulatory Planning and Rulemaking (recently amended by Executive Order 13497 to restore the Vice President's oversight responsibilities);
- The Unfunded Mandates Act;
- The Regulatory Flexibility Act; and
- The Federal Advisory Committee Act.

In the past, the NIGC has claimed "independent" agency status to avoid the application of these rules that guide other agencies.

In November 2010, the NIGC published a Notice of Inquiry in the Federal Register asking for public comments on existing NIGC regulations and potential new regulations. The NIGC finished their consultations in March and will present their findings during NIGA's 2011 Tradeshow.

This review is part of the NIGC's pledge to consult with Tribal governments on new policies and regulations and provide greater technical assistance to Indian Country. Their commitment represents great progress, yet we need a firm agency policy on these issues. Given the fact that Congress amended the IGRA in 2006 to increase NIGC fees and require them to provide training and technical assistance, it is appropriate to review the NIGC's mission.

We have also requested that the NIGC use Indian preference in hiring in accordance with the Indian Reorganization Act. The NIGC is a Federal agency serving Indian Country and intended to promote tribal self-government and strong tribal governments. Two of its three commissioners must be Indian, so it should use Indian preference to hire staff.

In our comments to the NIGC during their regulatory review, we urged Tribes to ask the NIGC to review the existing facilities licensing regulation passed in 2008 and the Class II Regulations promulgated in 2008. In addition, any future Tribal Advisory Committees should be done in coordination with the GSA on Federal Advisory Committee Act issues and consultations with tribes.

NIGA will work with the NIGC and representatives of Indian Country to discuss these concerns and we hope to continue to work constructively with the new leadership in 2011.

Internet Gaming:

In 2010, NIGA Member Tribes adopted a Resolution stating the tribal position on federal Internet gambling legislation. The Resolution states that any legislation moving through Congress must protect tribal sovereignty and treat Indian tribes on par with other governments. The specific provisions of the Resolution are listed below:

NIGA Resolution

"At a minimum, federal Internet gambling legislation must incorporate the following fundamental principles:

- Indian tribes are sovereign governments with a right to operate, regulate, tax, and license Internet gaming, and those rights must not be subordinated to any non-federal authority;
- Internet gaming authorized by Indian tribes must be available to customers in any locale where Internet gaming is not criminally prohibited; and
- Consistent with long-held federal law and policy, tribal revenues must not be subject to tax;
- Existing tribal government rights under Tribal-State Compacts and IGRA must be respected;
- The legislation must not open up the Indian Gaming Regulatory Act for amendments; and
- Federal legalization of Internet gaming must provide positive economic benefits for Indian country."

Last year Congressman Barney Frank (D-MA) passed H.R. 2267, the Internet Gambling Regulation Consumer Protection & Enforcement Act, out of the House Financial Services Committee.

Congressman Frank testified that the UIGEA “is an inappropriate interference on the personal freedom of Americans, and it should be undone.” According to Congressman Frank’s bill, it would establish a federal regulatory and enforcement framework within the Department of the Treasury for internet gaming operators to be licensed. However, the full House of Representatives never took up HR 2267 for a vote and the bill died at the end of the 111th Congress.

In December 2010, Senator Reid tried to push a “poker-only” Internet gaming bill through the lame duck session. Senator Reid’s poker-only Internet bill would have: (1) created a two-year monopoly for commercial casinos with 500 or more machines; (2) authorized certain forms of Internet poker; (3) required Department of Commerce to license and regulate the activity with state and tribal oversight; (4) authorized federal, state, and tribal taxes on the activity; and, (5) carved out interstate off-track horse wagering, exempting them from all provisions of the bill. While tribal governments were recognized in places throughout the bill, Tribes would have had a very hard time meeting the preliminary provisions and this would have excluded many tribal governments from internet poker. This bill also died at the end of the 111th Congress.

On Thursday, March 17, 2011, Congressman John Campbell (R-CA) introduced H.R. 1174, the Internet Gambling Regulation, Consumer Protection, and Enforcement Act. Co-sponsoring the bill are Congressmen Barney Frank (D-MA), Peter King (R-NY), and Ed Perlmutter (D-CO).

H.R. 1174 is identical to the Frank bill, H.R. 2267, from the 111th Congress as amended and marked up by the Financial Services Committee on July 28, 2010. The bill would authorize the Secretary of the Treasury to license and regulate all forms of Internet gambling (poker, casino style games, etc) in the United States (with the exception of betting on sporting events). The Secretary would also be authorized to assess fees on licensed operators for administrative expenses.

The bill has been referred to three House committees: the House Financial Services Committee (chaired by Spencer Bachus (R-AL)), the House Judiciary Committee (chaired by Lamar Smith (R-TX)), and House Energy and Commerce (chaired by Fred Upton (R-MI)). The bill will not have an easy

road through these committees.

Judiciary Chairman Lamar Smith and Financial Committee Chairman Spencer Bachus have publicly stated their opposition to the bill. In a December 1, 2010 letter to Senate leaders Harry Reid (D-NV) and Mitch McConnell (R-KY), Bachus and Smith, along with current Ways and Means Chairman Dave Camp (R-MI), stated their opposition to the Internet poker bill that was being developed by Senator Reid.

With Senator Reid retaining his role as Senate Majority leader, the proponents of legislation to authorize Internet poker will probably continue their efforts in the 112th Congress. NIGA will continue the fight to ensure that any Internet legislation under consideration in Congress meets the basic principles listed in the NIGA Resolution to ensure the protection of tribal sovereignty and existing tribal government rights under IGRA and tribal-state compacts. Republicans will lead the House of Representatives in the 112th Congress, which will last during calendar years 2011-2012, and it appears any internet gaming legislation faces an uphill climb in the House.

Carcieri

On February 24, 2009, the Supreme Court decided in *Carcieri v. Salazar*, that the Secretary of the Interior has authority to take land into trust under the Indian Reorganization Act (25 U.S.C. secs. 465, 479) *only* for Indian tribes that were under Federal jurisdiction at the time of its passage in 1934. The Supreme Court held that the Secretary erred by acquiring land in trust for the Narragansett Tribe under 25 U.S.C. sec. 465. The Court ruled that the Indian Reorganization Act in Section 479, which states that it applies to Indians “now under Federal jurisdiction,” refers unambiguously to the date of its enactment in 1934. Accordingly, the Secretary’s authority to acquire land for Indian tribes in trust under IRA Section 465 is limited to Indian tribes under Federal jurisdiction at the time of its enactment in 1934.

This case does not affect Indian tribes that were under Federal jurisdiction prior to 1934, nor does it affect the trust land of Indian tribes where those lands were acquired by the Secretary pursuant to a Federal recognition statute authorizing the

acquisition of such lands in trust.

For lands held in trust for Indian tribes recognized after 1934, if the lands were taken in trust more than six years ago, the statute of limitations should bar any challenge to the trust status of the land.

First, to protect the justifiable expectations of Indian country, NIGA is calling on the Secretary of the Interior to apply this case prospectively and defend all existing land holdings. Indian Country must call upon the Secretary to honor his trust responsibility.

Second, the Secretary should work with Congress to amend the Indian Reorganization Act to restore the justifiable expectations of Indian country and to recognize the fact that all Federally recognized Indian tribes should have the right to acquire trust land for governmental and community purposes.

Congress must pass an amendment to section 5 of the IRA striking the word “now” from the phrase “now under Federal jurisdiction.” By striking this word, Congress would remove any doubt that they intended the IRA to apply broadly to all Tribes regardless of the time of their federal recognition. It would also invalidate future use of this decision when attempting to limit the Secretary’s authority to take land into trust for tribes.

Indian Gaming Remains Strong

Despite the tough economic conditions, the industry remains strong. While our revenue numbers are down slightly for the 2010 economic year, Indian gaming remains strong in certain regions of the country. Oklahoma and Florida continue to see growth. Indian gaming has become a central part of many local economies. Several billion dollars are generated for capital costs, operations and maintenance, security and surveillance, goods and services, etc. The remaining revenue is reinvested into the tribal governments to pay for education, health care, police and fire protection, housing, water and sewer service, transportation, government infrastructure and community development.

Indian gaming and related economic activity continues to generate over \$9 billion in Federal taxes and revenue savings through reduced welfare and unemployment benefit payments. In addition, Indian gaming generated over \$2 billion in state government revenue and an additional \$100 million

in local government revenue.

Looking Ahead

In 2011, NIGA, along with our sister organizations, NCAI, NIHB, and NIEA, will continue to work on passing legislation mandating that federal agencies engage in government-to-government consultation with Tribes prior to enacting major policy changes. NIGA also continues to work on legislation authorizing tribal government’s to issue tax-exempt bonds and receive fair treatment for their government pension plans.

Throughout all of our work, we have a consistent theme: Indian tribes are governments, deserving respect as sovereigns. We know that our NIGA Member Tribes are working hard to rebuild Indian communities, and we are hard at work for you. Together, we will enjoy continued success because Indian gaming is truly the Native American success story.



VICE CHAIRMAN'S REPORT

KEVIN LEECY

Chairman, Bois Forte Band of Chippewa

During these tough economic times, it is important that we step back and look at the bigger picture of Indian gaming. A single snapshot might show stagnant or declining revenues. But the running film tells a far different story – one of unprecedented progress.

Think back to the last decade of the 20th century. How was your tribe doing? Were your elders getting the health care they needed? Were your children receiving a good education? How did your reservation look – were homes and tribal infrastructure adequate? And what about jobs for your tribe's citizens?

Now jump ahead to the first decade of this new millennium. It was a dark time for many people: 9/11 and Hurricane Katrina, earthquakes and tsunamis, the Enron scandal and the mortgage crisis, unemployment and recession. But on so many Indian reservations across the country, these were years of tremendous advances. We have new clinics and schools; new community centers, powwow grounds and youth programs; better housing and updated government facilities; cleaner water and smoother roads. And of course, jobs: thousands and thousands of jobs.

I don't mean to imply that financial setbacks don't sting, they do. And we always face legal and legislative challenges, such as the push for Internet gambling, the National Indian Gaming Commission's regulatory review, and the fallout from the Carcieri case.

We must speak out strongly and clearly so that Congress hears from Indian nations on the issues that affect us. And we must also continue to refine our businesses to adapt to economic hardship.

But we should not let any of this overshadow the fact that we have achieved some of the greatest growth and success in our history. So don't just look at a balance sheet – look around you at the changes we have made, and the undeniable momentum we have generated.

We have come too far and achieved too much to let legislative or economic challenges keep us from growing our gaming businesses and creating the future we want, and the future our people deserve!



VICE CHAIRMAN'S REPORT

KURT BLUEDOG

Shakopee Mdewakanton Sioux

When the Executive Committee requested last year that I serve as Treasurer of the National Indian Gaming Association, I was more than happy to do so. The previous Treasurer had resigned from the position.

In that capacity, I am pleased to provide this report on the financial condition of NIGA for fiscal year 2010. The accounting firm of Joseph & Eve conducted NIGA's 2010 annual audit during the week of March 7th, 2011. NIGA once again received an unqualified opinion from the auditors. I am pleased to report that our financial condition is solid as we face 2011 and move into 2012.

In 2010, we received generous support with gifts from the Shakopee Mdewakanton Sioux Tribe and Rocket Gaming. This funding supported NIGA's internal operations to help ensure the best possible advocacy on behalf of our membership and the Indian gaming industry.

As a long time NIGA Board Member, I understand how important it is to have an organization like NIGA working on Indian Country's behalf in Washington, D.C. NIGA will continue to foster a bi-partisan relationship with Congress as we promote various legislative and administrative initiatives this year. The contributions from our sponsors and Member Tribes, along with the hard work and direction we receive from our Tribal leaders, helps to fund NIGA's leadership role in Indian Country.

In order to address the continuing need for fiscal responsibility in these challenging economic times, NIGA must continue to focus on:

- Maintaining and Growing our Tribal Membership;
- Promoting and Growing our Associate Member participation;
- Enhancing contributions; and
- Exploring alternative sources of support and revenue.

As I step down to resume my position as an At-Large Member of NIGA, I am confident that the individual elected to the position of Treasurer will continue to work with the Executive Board on detailed budget reviews focused on identifying key revenue drivers so that we can continue to manage our cash flow responsibly. In addition, we will continue to review all internal controls and make any necessary changes or additions.

It has been an honor to serve as NIGA's Treasurer. NIGA will again face many challenges in 2011-2012 and I look forward to continuing to serve the NIGA membership and to promote the goals of the Organization.

CASINO & INDUSTRY RELATIONS REPORT

The Casino and Industry Relations initiative is dedicated to providing member services to our casino, hospitality and industry members. This feature of NIGA offers an avenue for industry interaction to further professional and economic development in Indian Country. Casino and Industry Relations supports NIGA members through networking and developing training, informative programs and pertinent resources to promote management and regulatory excellence. The services are focused into three areas:

- Industry Relations, including the Annual Trade Show and Convention, and Department Roundtables
- The Associate Member Program
- The NIGA Seminar Institute

Industry Relations

The Trade Show remains the premier show in the Indian Gaming industry. At the Indian Gaming '10 Trade Show and Annual Convention in San Diego, over 4000 people attended and booth sales remained strong. Last year marked the 25th anniversary for the National Indian Gaming Association (NIGA) since its establishment in 1985. Since NIGA started hosting a Tradeshow, it has developed into one of the premier events in the Indian gaming and hospitality industry and it is the only convention where Tribal industry leaders can hear the latest about Indian country economic development.

As Indian gaming industry's foremost event, *Indian Gaming 2010* brought in \$26 billion of purchasing power under one roof. A variety of key-decision makers, including Tribal leaders, top casino industry executives, Casino General Managers and other department management will convene to do business. Once again the NIGA Trade Show floor will be the primary marketplace to do business in Indian gaming. We showcased approximately 330 vendors and exhibitors from all aspects of the gaming and hospitality industry.

NIGA also hosted dynamic and exciting golf tournaments generously sponsored by the Sycuan Band of Kumeyaay Indians and the Barona Band of Mission Indians. We guarantee the NIGA Tradeshow is the best conference to network with colleagues while having a great time enjoying top name

entertainment and exiting giveaways. Attendees can polish up their resumes, create business opportunities, and build relationships all in one convenient location.

NIGA also offered several workshops and certifications, with trainings devoted to every aspect of the gaming industry and various economic development topics. This was our tenth year conducting certifications at the Tradeshow. Casino personnel from Tribal gaming departments met in manager roundtables to network and share information with peers from around the country.

Expanding Economic Development - Hospitality Network

In 2010, NIGA continued developing the Hotel/Hospitality Network and offered Resort/Amenity Conferences to showcase successful diversification efforts at tribal hospitality venues across the country. These sessions allow our members to network and learn from others with on-the-ground experience. NIGA is also working in concert with the American Hotel and Lodging Association on a Certified Hotel Trainer course, and continues to offer our members the opportunity to earn their Certified Hotel Administrator designation.

Associate Member Program

The Associate Member program continues to grow and we are happy to welcome new companies into the NIGA family. A diverse range of industry-related companies continues to support NIGA and its programs. Associate Members came to Washington, D.C. twice to meet with congressional members and advocate for Indian gaming during the Legislative Summits in February and July. NIGA continues to bolster the information exchange with Associate Members by publishing an industry newsletter informing Associates about potential business opportunities with Indian Casino development and expansions. NIGA will also plan on holding regular Associate Member meetings to take advantage of Associates' suggestions for NIGA.

NIGA Seminar Institute

The NIGA Seminar Institute continues to provide relevant education to the Indian gaming industry by

CASINO & INDUSTRY RELATIONS REPORT CONT.

increasing our offerings and diversifying educational opportunities to be responsive to our Members' requests. We make a point of ensuring that our faculty and presenters are experts in their fields and that they are actively and currently involved in a specific aspect of Indian gaming. Not including the Trade Show workshops and certifications licensed over 300 people this past year.

In addition to the Hospitality Management Certification Series, NIGA improved on two other established programs. NIGA continued our most popular program, holding our annual three-level Gaming Commissioner Certification series and a condensed version of the certification. As the growing attendance numbers show, this Certification has become a recognized standard in regulatory training for Indian casinos.

Through Casino and Industry Relations, NIGA continues to evolve our services to provide solid support to our casino, hospitality, and industry members.

PUBLIC RELATIONS REPORT

In 2010, NIGA's public and media relations department helped support the office of the Chairman and deliver news from NIGA's legislative and research offices. Throughout the year, the NIGA public relations department focused on promoting NIGA's primary message—that Indian gaming is making a difference in our Native communities. This message is incorporated into every publication at NIGA, including press releases, e-newsletters, and special reports.

In our last poll, national surveys conducted by NIGA show that more than 75 percent of Americans agree that Indian tribes benefit from having casinos; Indian gaming provides jobs for Indians; and that Indian gaming generates essential revenues that tribes can use to provide essential services to tribal members. All of these points are part of a successful public relations strategy and will continue to be the foundation of future NIGA public relations efforts.

As the primary Indian organization advocating on behalf of Indian gaming, NIGA continues to attract the daily attention of the national, regional and local news media. Major media coverage of Indian gaming included articles in *The Washington Post*, and *New York Times*, *USA Today*, and many other large regional and local publications. National wire service coverage of Indian gaming included: *The Associated Press*, *Gannett News Service*; and others. Television stations across the country contacted the NIGA public relations office on a regular basis; and national radio outlets, such as *National Public Radio*, covered Indian gaming issues in several segments throughout the year.

The NIGA public relations office also worked with all of the major national Native publications and electronic media outlets. NIGA's views were frequently covered by such publications as *Indian Gaming Magazine*, *Indian Country Today*, and *Native Peoples Magazine*. National Native radio outlets, such as *National Native News*, frequently looked to NIGA for Indian gaming updates. Online, NIGA worked closely with *Pechanga.net* to release news about pressing Tribal issues.

In 2010, the NIGA public relations department also coordinated a series of monthly columns and feature articles written by NIGA's Chairman for the major Indian gaming trade publications, including: *Global Gaming Business Magazine*; *Indian Gaming Magazine*; *Native American Casino*; *Casino Enterprise Management*; and *Indian Gaming Business Magazine*. NIGA also publishes its own web based magazine the Indian Gaming Update.

NIGA continues to advertise selectively in the Washington, D.C. area. Advertisements for our Tradeshow and the benefits of Indian gaming are regularly placed in the Smithsonian's *Native American Museum* magazine. Tribes and Tribal facilities across the country subscribe to this quarterly publication ensuring that NIGA's ads are seen by a large part of Indian Country. When important Tribal issues warrant, NIGA will place ads in Washington D.C. political publications such as *Roll Call*, *The Hill*, and *Politico*.

"Indian Gaming '10" in San Diego constituted an enormous public relations success. Among the extensive media coverage that occurred over the three days of the trade show, several local and regional news media, including radio and television, attended the trade show. NIGA also hosted a press conference during the trade show that focused on the Indian gaming industry and the release of NIGA's 2009 economic impact report for Indian gaming.

This past year NIGA hosted a cultural event featuring presentations of Native music and native dancers from around the country. The program was held at the San Diego Convention Center and open to the public. These special NIGA programs are intended to convey the powerful message that Indian gaming is helping to preserve time-honored Native cultural traditions.

By all accounts, 2010 proved to be a successful year for NIGA's public relations efforts. The public relations staff thanks the NIGA membership and members of NIGA's public relations team for their dedication and hard work throughout the year.



NATIONAL INDIAN GAMING ASSOCIATION

Rebuilding Communities Through Indian Self-Reliance

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