

## CHAIRMAN'S REPORT



Chairman Delores Pigsley

For those of you who have not yet heard, the National Indian Gaming Commission (NIGC) issued to the Siletz Tribe a Notice of Violation (NOV) dated June 14, 2000, accusing the Siletz Tribal Council and individual Council members of violating the Indian Gaming Regulatory Act (IGRA), the tribal-state gaming compact, and NIGC regulations.

Specifically, the charges related to our use of "comps," the normal business practice in the gaming industry of providing complimentary benefits for marketing, advertising, and public relations purposes.

The Siletz Tribe has used comps for meals and entertainment at Chinook Winds ever since the casino and convention center was established four years ago. We are no different from other tribes that operate gaming enterprises.

In a 17-page letter dated July 14, which we sent to NIGC with supportive documentation, we challenged NIGC's unsubstantiated allegations. The tribe's comp expenditures, we said, were not only "justified and valid," but NIGC exceeded its authority by "intruding into the internal business decision of the Siletz Tribe's gaming operations." Our letter further stated that "NIGC did not conduct a proper investigation of the data provided to it and reached erroneous conclusions."

It was timely that the Senate committee that oversees NIGC's operations had scheduled hearings for July 19, 2000. As one of those on the hearing list, I was in Washington, D.C., prepared to testify. At the last minute, a member of the Senate committee announced to our assembled

group that the meeting had to be postponed because of a Senate procedural problem and that we would be invited back when the meeting is rescheduled.

I did, however, submit advance copies of my written testimony to the Senate committee, in which I strongly protested the Notice of Violation.

In addition to objecting to exceeding its authority, I pointed out that NIGC prejudged the data on which it made its allegations. I strongly protested the posting of the NOV on the Internet even before the tribe received the notice and had an opportunity to respond.

As I said in my statement, this was a blatant "violation of basic fairness and procedural due process."

As announced in our press release on July 14, any interested person can find the text of the tribe's response to NIGC on both web sites of the Siletz Tribe - <http://www.ctsi.nsn.us> and Chinook Winds - [www.chinookwindscasino.com](http://www.chinookwindscasino.com).

We will see to it that the NIGC's decision on our appeal as well as any follow-up comments by the tribe will be made public.

While in Washington, D.C., Bonnie Petersen and I, accompanied by consultants Franklin Ducheneaux and Zak Zakoji, conferred with the staffs of Sens. Ron Wyden and Gordon Smith and Reps. Darlene Hooley, David Wu, and Peter DeFazio on a number of critical issues currently facing the tribe.

While in Washington, D.C., I also had the opportunity to participate, at least part of the time, in the National Tribal Consultation Forum sponsored by the Department of Health and Human Services (HHS). This was a follow-up to the Listening Council held by HHS during the past year. In sponsoring these councils, the department is guided by certain principles, including the need to operate on a government-to-government basis with tribes, to consult to the greatest extent possible with tribes, to assess the impact of the agency on tribal trust resources, and to remove procedural impediments.

In that context, the various HHS department heads made presentations, each followed by a period of dialogue on critical issues by HHS officials and tribal representatives.

I believe it is commendable that HHS is at least making a determined effort to implement a process of meaningful

consultation with tribes on a government-to-government basis.

As I was attending the HHS sessions, Bonnie Petersen was involved with meetings of the NCAI/BIA Needs Assessment and Auditing Workgroup, on which she serves as a member. Bonnie will report directly to the Tribal Council and to appropriate tribal committees on the issues and activities with which this particular NCAI committee is currently involved.

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of NIGC to investigate and review the information provided to it, many of the entries noted in the NOV are incorrect, incomplete or inaccurate."

In fact, such complimentary admissions, called comps, are part of Chinook Winds' operating expenses, budgeted for marketing and public relations purposes. They are not, as NIGC alleges, taken from net revenues, but are part of the gaming enterprise's operating expenses. Tribal Council members also serve as directors of the Chinook Winds board. As board members, they are expected to actively market the casino and provide a clear linkage between Chinook Winds and the Siletz Tribe by their presence.

"Comps are common practice in gaming and throughout the entertainment industry," said Chinook Winds Acting General Manager Chris Steinbach. "A closer look would have made clear that comps are provided to our board members for legitimate marketing purposes consistent with our marketing plan."

The tribe's response letter detailed the purposes for all the comps NIGC alleged were used personally by Tribal Council members and the tribe. Dorsay noted that even a cursory investigation would have shown all the expenses were justified.

In his letter, Dorsay concluded: "NIGC has overstepped its authority and interfered with the internal business decisions of the Siletz Tribe and its gaming operation, by classifying expenses as improper and imposing its own business judgment on the tribe's gaming operation .... No violation of IGRA or of the use of net gaming revenues occurred at Chinook Winds or by the Siletz Tribe in 1999. NIGC did not conduct a proper investigation of the data provided to it and reached erroneous conclusions about comp charges incurred and authorized in 1999 at the casino."