

**PUBLICATION OF  
NOTICE OF PROPOSED AND AMENDED GAMING REGULATIONS**

**BACKGROUND**

The Navajo Nation Gaming Regulatory Office (“NGRO”) is proposing new gaming regulations for Class II gaming. Specifically, the proposed regulations adopt minimum internal control standards for Class II gaming activities and technical standards for Class II gaming systems.

The Navajo Nation is required under regulations recently issued by the National Indian Gaming Commission (“NIGC”), 25 CFR Parts 543 and 547, to adopt tribal internal standards consistent with the federal standards. The Nation has until April 6, 2009 to comply with this requirement. These proposed regulations are intended to comply with the federal regulations.

The NGRO is also proposing new amendments to current gaming regulations for Class III gaming activities and gaming operations. The NGRO is required under regulations issued by the NIGC, 25 CFR §§ 542.3(c), 547.4, to conform the Nation’s minimum internal control standards to be consistent with, or more stringent than, the federal standards. The proposed amendments are intended to conform the NGRO regulations to recent changes to the federal regulations promulgated by the National Indian Gaming Commission (“NIGC”)

The NGRO must also conform its regulations to standards adopted under the Arizona Compact. Recently, the Arizona Compact Appendix A, Technical Standards for Gaming Devices, was amended and approved by the Navajo Nation. These proposed amendments are intended to comply with these requirements.

Lastly, new proposed regulations are intended to reorganize and streamline the regulations for ease of use and improved compliance.

**COMMENT PERIOD**

Pursuant to 5 N.N.C. § 2009B, the NGRO will accept written comments until April 5, 2009. Please send any comments to:

Navajo Gaming Regulatory Office  
Attn: Gaming Regulations  
P.O. Box 2040  
Window Rock, AZ 86515

## **SUMMARY OF PROPOSED REGULATIONS**

### Title V(a) Minimum Internal Control Standards for Bingo,

This regulation supersedes certain specified sections of the current Title V - Minimum Internal Control Standards and replaces them with a new Title V(a) - Minimum Internal Control Standards for Class II Gaming. Since the implementation of Minimum Internal Control Standards (MICS), the NIGC has developed additional MICS that incorporate technical adjustments and revisions so that the MICS are specific to Class II gaming and can effectively protect tribal assets, while still allowing tribes to utilize technological advances in the gaming industry. This title applies only to Class II games.

### Title VI(a) Minimum Technical Standards For Gaming Equipment Used In The Play of Class II Games

The regulation adds a new Title to the NGRO regulations establishing technical standards for Class II games – bingo, lotto, other games similar to bingo, pull tabs, and “instant bingo” – that are played using “electronic, computer, or other technologic aids” as parts of a Class II gaming system. The regulation establishes a process for ensuring the integrity of such games and aids – examination by an independent testing laboratory and approval by the NGRO – before being made available to the public for play in a tribal gaming operation. The standards were adopted by the NIGC in October, 2008, and are intended to assist NGRO and NNGE operators in ensuring the integrity and security of Class II gaming and the accountability of Class II gaming revenue. The standards will also provide guidance to equipment manufacturers and distributors of Class II gaming systems.

### Title X Security and Surveillance Standards

This Title adds new regulations related to surveillance and security plans for Navajo gaming operations. The regulations are consistent with Arizona standards, and are being adopted for all Navajo gaming facilities, regardless of size or location. The regulations also incorporate the surveillance internal control standards from Title V. These standards have been placed in Title X for ease of understanding and reference.

## **SUMMARY OF PROPOSED AMENDMENTS**

### Title V – Minimum Internal Control Standards For Class III Gaming

The majority of amendments to Title V are based on recent changes to the NIGC minimum internal control standards. For example, new internal controls were adopted by NIGC related to external audit testing, accounting standards, and drop and count standards. Additional amendments are also intended to fill gaps related to New Mexico gaming activities to ensure proper internal controls for New Mexico gaming facilities. Internal controls are necessary for certain games, such as craps and roulette. Lastly, certain amendments are intended to reorganize and streamline the internal control standards.

## Title VI – Technical Standards for Class III Gaming Devices

In January, 2009, the Navajo Nation approved and adopted new technical standards for Class III gaming devices. Because of the extensive changes to these standards, the NGRO proposes to repeal the current Title VI, and replace it with the new standards.