

GAO Highlights

Highlights of [GAO-14-743T](#), a testimony before the Committee on Indian Affairs, U.S. Senate

Why GAO Did This Study

Over the past 25 years, Indian gaming has become a significant source of revenue for many tribes, reaching \$27.9 billion in 2012. At that time, about 240 of the 566 federally recognized tribes operated more than 420 gaming establishments ranging from bingo halls to multimillion dollar casinos across 28 states. IGRA, the primary federal statute governing Indian gaming, provides, among other things, a statutory basis for the regulation of Indian gaming to assure that it is conducted fairly and honestly. Tribes, states, Interior, and the National Indian Gaming Commission have roles in regulating or overseeing Indian gaming.

This testimony is based on GAO's preliminary observations from ongoing work that examines (1) the process Interior uses to ensure compliance with IGRA through its review of tribal-state compacts and the types of provisions contained in these compacts; (2) how states and selected tribes regulate Indian gaming; and (3) how the Commission regulates and oversees Indian gaming and how, if at all, recent organizational changes have affected its regulatory or oversight approach.

In its ongoing work, GAO analyzed compacts; visited three states and seven tribes (selected for geographic representations and revenue generation) to discuss the oversight of Indian gaming; reviewed Commission data on technical assistance and enforcement actions; and interviewed Interior and Commission officials. GAO will continue to collect information on these topics and produce a final report.

GAO is not making any recommendations in this testimony.

View [GAO-14-743T](#). For more information, contact Anne-Marie Fennell, (202) 512-3841, fennella@gao.gov.

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INDIAN GAMING

Preliminary Observations on the Regulation and Oversight of Indian Gaming

What GAO Found

The Department of the Interior (Interior) has a multistep review process designed to help ensure that compacts comply with the Indian Gaming Regulatory Act (IGRA). Such compacts are agreements between a tribe and state that governs the conduct of the tribe's Class III (or casino) gaming activities. Based on GAO's preliminary review, Interior has approved 78 percent (382) of the tribal-state compacts submitted since 1998. While the provisions in compacts approved by Interior are largely similar, they do vary in some respects, such as the terms of "revenue sharing" arrangements established between states and tribes. For example, some compacts do not provide for revenue sharing with states, while some require tribes to share significant portions of revenue with states. The remaining 22 percent (106) of compacts reviewed were either (1) considered approved without action by the Secretary of the Interior, (2) withdrawn, or (3) disapproved by Interior for various reasons, such as when they were not consistent with IGRA.

The roles of states and tribes in regulating Indian gaming vary and are established in two key documents: (1) compacts for Class III gaming and (2) tribal gaming ordinances, which provide the general framework for day-to-day tribal regulation of Class II (including bingo) and Class III gaming facilities. Based on GAO's preliminary observations of ongoing work, GAO found that the three states visited—Arizona, California, and Oklahoma—varied in their approaches to regulating Indian gaming, as seen through differences in their regulatory agencies' organization, staffing levels, and funding. For the seven tribes GAO visited, each has established tribal gaming commissions that perform various regulatory functions to help ensure that their gaming facilities are operated in accordance with tribal laws and regulations and, for Class III operations, the compact.

The National Indian Gaming Commission (Commission), an independent commission created by IGRA within Interior, plays an important role in regulating and overseeing Indian gaming by ensuring that Class II and Class III gaming facilities comply with IGRA and applicable federal regulations and tribal ordinances or resolutions. Among other things, the Commission monitors tribal gaming activities, inspects gaming premises, and takes enforcement actions when necessary. In 2011, the Commission implemented its Assistance, Compliance, and Enforcement initiative, which emphasizes providing assistance to tribes to achieve compliance with IGRA. Through this initiative, the Commission has sought to provide technical assistance and training to tribes so that compliance issues may be resolved early and voluntarily without the need for enforcement actions. According to Commission officials, in part, as a result of this initiative, the number of enforcement actions has decreased significantly. Also in 2011, as part of a broader organizational realignment, the Commission merged its Enforcement and Audits divisions into one Compliance Division. According to Commission officials, this merger was deemed necessary, in part, to better support the Commission's emphasis on compliance assistance under its initiative.