

## Spotlight on 2015 and Beyond

*This month we asked members of our Editorial Advisory Board to share their insights and predictions for 2015. Here is what they had to say...*

### Dike Bacon, Principal Hnedak Bobo Group



Dike Bacon

Indian gaming is a healthy but an evolving industry. Going forward, the most important issues to address are sustainability, relevancy, and awareness. It's a big challenge. In a nutshell, regional casino gaming has to appeal to a wider audience. Instead of just doing things incrementally better, the primary focus for many successful operations will be to do them differently in new, unique, and compelling ways. Significant demographic and generational changes are forcing the industry to rethink what primary and secondary entertainment drivers must be; and how those products are delivered and embraced by a changing customer. It's all about optimizing the uniqueness of the choices including the game itself and how different sets of choices can change existing visitation patterns and target new customer bases.

As an example, casino gaming is quite possibly the best positioned entertainment choice available to consumers that is continually leveraging exciting new, emerging technology. The potential incorporation of a high tech interactive, social, and skill based casino game experience could be a very compelling trend of the future. On-site intranet gaming and the mobile wallet will have huge implications relative to how the guest immediately and continually interacts with the entire resort.

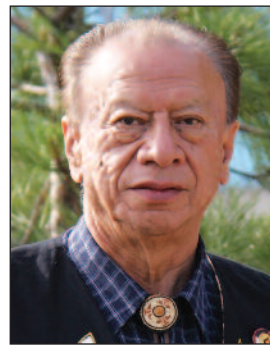
Another steadily emerging trend is the migration toward intimacy, exclusivity and luxury. Experiential travel with sophisticated spins on regionalism is already reshaping the hospitality industry. This 'getting back to the basics' boutique experience is permeating everything from restaurants to cocktails to guestrooms. Casino patrons are aspirational. They desire an experience they can't get anywhere else and they're often very willing and able to spend more on non-gaming offerings. They just need better options. Casinos are incredibly well positioned to eclipse their non-gaming entertainment competitors with higher levels of quality. Many tribes recognize this and are focused on elevating non-gaming amenities and broadening their unique offerings. After all, a dollar is a dollar. What difference does it make where or how it's earned?

Another steadily emerging trend is the migration toward intimacy, exclusivity and luxury. Experiential travel with sophisticated spins on regionalism is already reshaping the hospitality industry. This 'getting back to the basics' boutique experience is permeating everything from restaurants to cocktails to guestrooms. Casino patrons are aspirational. They desire an experience they can't get anywhere else and they're often very willing and able to spend more on non-gaming offerings. They just need better options. Casinos are incredibly well positioned to eclipse their non-gaming entertainment competitors with higher levels of quality. Many tribes recognize this and are focused on elevating non-gaming amenities and broadening their unique offerings. After all, a dollar is a dollar. What difference does it make where or how it's earned?

This kind of Vegas style opportunism can include the addition of non-traditional but well recognized brands. Established brands can drive immediate awareness and recognition which in turn drives traffic.

In the final analysis, social media will continue to dramatically affect the industry. The Internet has certainly leveled the playing field relative to facility and customer service reviews. If a resort doesn't perform and deliver, everyone knows about it immediately. Those properties positioning their facility experience and service levels to attract positive attention will reap the rewards of affirmative viral reviews.

### Steve Cadue, Council Member Kickapoo Tribe in Kansas



Steve Cadue

The soon to come 2015 year will be one of the most contentious years for our Indian nations in our quest for genuine Indian self-determination. Our sovereign self-government principles will be strongly tested and challenged. There are great differences of political opinion among the President and the Congress and many of these differences will spill over and impact Indian tribal governments. Through the final two years of Barack Obama's presidency, the 114th Congress will include 53 Republican senators and 44 Democrats in the U.S. Senate. The U.S. House of Representatives will include 244 Republicans and 188 Democrats. Who represents your congressional district and your state respectively? We must remind ourselves that every issue Congress debates affects our Indian people and tribal self-government, including: The Affordable Care Act; immigration; the environment, i.e. Keystone; health issues; Indian gaming (Internet gambling); Indian tribal fee-to-trust issues; the Middle East; Russia; China and many other lesser known issues. While the aforementioned issues are always prevalent in some form in all years, the 2015 political controversies will be volatile in some cases. Sequestration is a good example of polarization. Any one of these issues has major implications for our Indian people, and of course, for all citizens. We must strive to inform ourselves of these issues and be ready to intelligently look out for our best interests. With most of these issues it

will be important for our Indian nations to unite to strengthen our common tribal sovereignty and self-government.

An ominous prediction that is based on the deliberations of the 113th Congress will be a move to amend the Indian Gaming Regulatory Act (IGRA) to weaken the powers of the act to limit Indian gaming. Already the *Carciere v Salazar* Supreme Court decision is a barrier to expanded Indian gaming. There will be a weak resolve in the 114th congress to “fix” the *Carciere* decision. Powerful congressional chairman and committee positions are selected according to majority rule and Indian economic self-sufficiency goals via Indian gambling revenue will be severely curtailed. Indian gaming regulation will be sought to limit powers of Indian gaming in all areas of tribal gaming operations. Indian gaming opponents will employ a “stalking horse” strategy based upon the highly media covered violent intra-tribal casino disputes in recent times. We are also witnessing establishment of state gambling via state-owned casino operations, state lotteries and state-sponsored Internet gambling. But with that being said, we will prevail as we always have due to our perseverance, our beliefs and our knowledge. Now is the time to prepare and beat back the challenges we will surely see in 2015. Our greatest strength is in our brotherhood and in our understanding that we are all related. I give thanks to the Creator.

### Beth Deighan, President Casino Careers and Gaming Hospitality Executive



Beth Deighan

Indian gaming is responsible for approximately 700,000 direct and indirect jobs. The \$28 billion a year industry currently operated by 246 tribes in 28 states, will generate more income and present new and exciting jobs in the coming year.

Despite growing competition and the uncertainty of the impact of iGaming on brick-and-mortar casinos, opportunities for employment, advancement, and career transition will be available in a

myriad of areas including construction, compliance, finance, law, marketing, hospitality, gaming, security, and IT.

The skills needed to attain and succeed in a job in Indian gaming in 2015 are much different than they were 10 years ago.

Specialization and specific skills (such as computer literacy) are essential. Most gaming companies no longer have the time to teach new hires job-related skills. They want a candidate who can assume the position and hit the ground running. Indian gaming enterprises need people who have multiple project management skills, such as leadership, budget and time management, as well as a focus on customer service.

Increased competition in gaming has created a demand for data analysts and critical thinkers to increase operational efficiency and marketing profitability.

Native American entities will seek to attract and retain enterprise contributors - employees who perform well individually and who accomplish tasks by working effectively with and through others. They will take steps to retain high-potential employees based on their ability, aspiration, and engagement within the organization.

The closing of casinos in oversaturated areas has resulted in thousands of displaced employees. Now is the time for these job seekers to take advantage of training programs provided the Department of Labor to learn new skills which will assist them to make the transition into positions that are in high demand.

The disciplines are diverse and include: online security and fraud detection; financial analysis and audit; Internet and social media marketing; market research; web development; computer and java programming; database administration; network engineering; intellectual property law; product design; and casino, hotel and restaurant management.

### Grant Eve, Partner Joseph Eve



Grant Eve

The tribal gaming industry saw multiple regulatory changes in 2014. The most significant changes were related to 25 Code of Federal Register (CFR) Part 543 Minimum Internal Control Standards for Class II Gaming (MICS) and Title 31/Bank Secrecy Act (BSA) regulations. In 2015, we will see casinos continue to implement these changes and the compliance culture will continue to adapt to these new and enhanced regulations.

The adoption of the new NIGC MICS was and continues to be an exhausting process for most casinos. The implementation date differs based on the casinos fiscal year-end. For December 31 year-end gaming operations, the TICS should have been established by October 22, 2013, and the SICS should have been implemented by January 1, 2014. For September 30 year-end gaming operation, the TICS should have been established by October 22, 2013 and the SICS should be implemented by October 1, 2014. Both of these year-ends could receive a six month extension with approval from their TGRA. The TGRA and management should continue to work together in 2015 with their new TICS and SICS to continue to strengthen their control environment.

Jennifer Calvery was named Director of FinCEN in the fall of 2012. With her remarks at recent gaming conferences,

it is evident that casinos need to embrace a risk-based approach to anti-money laundering and there is no one size fits all approach for casinos that is sufficient. The area that casinos will need to continue to focus on in 2015 is their customer's source of funds and proper due diligence procedures. This is covered under the regulations published in the Code of Federal Register §1021.210(b)(2)(v)(A) as "When required by this chapter, the name, address, social security number, and other information, and verification of the same, of a person;" Obviously, this is a very broad regulation and can be interpreted differently. Yet it is very clear on FinCEN's approach as Calvery stated in the BSA Conference in June 2014, "Casinos are required to be aware of a customer's source of funds under current AML requirements."

It is evident by the newly adopted NIGC regulations and the interpretation of Title 31/BSA regulations that all casinos are not the same and different internal controls need to be in place and embraced by each facility. To do this effectively and efficiently, several departments need to be included to decide how much risk your facility would like to embrace. Indian gaming has always been on the cutting edge of regulations and I anticipate this to continue in 2015.

### **Chris Foster, VP of Sales and Marketing COST of Wisconsin**



Chris Foster

As 2014 comes to a close, we are seeing many new opportunities within the Native American gaming industry. While there are few new large-scale properties being constructed, existing casinos are pursuing numerous additions and upgrades. Facilities are moving forward with renovation and expansion plans that were shelved during the recession. These projects share a common trend; maximize the thematic

WOW factor in the most cost-effective manner. Instead of developing an immersive theme throughout a facility, we are integrating fewer theme areas overall but each with very high visual impact. These impact areas may include water features, thematic icons, or artistic elements. Theme features can be cultural, tell a specific story, or simply provide visual stimulation. Many of these features have high-end LED lighting displays, and some even offer light shows to compliment the theme work. The common rationale for developing thematic items remains unchanged from twenty or thirty years ago; thematic features offer unique branding opportunities and help differentiate one facility from another.

Casinos are also differentiating experiences within their respective properties as well. Restaurants and bars in

casinos are using theme work to promote unique dining experiences. The thematic features chosen for bars and restaurants can be based on cuisine, architectural style, or cultural elements, much like the casino as a whole. Steakhouses versus Asian cuisine restaurants are accented differently with thematic facades, artistry, sculptures, landscape, decorative lighting, and glass work. Additionally, ancillary amenities such as hotels/resorts, water parks, spas, etc., will become more prevalent at existing casinos. These amenities will also follow a similar thematic program as the casino.

A key transition will also take place in theme design and construction as casino design evolves to better engage the Gen-Y's and millennials. The use of theme work in branding and this branding presence in social media outlets will aid in maintaining the relationship with these critical demographics in the real and virtual world. Photographic opportunities within key theme areas are instantly uploaded to social media sites and can serve as an excellent call to action for attracting users' friends and family.

Offering branding opportunities and differentiation from the competition is often the key reason for adding theme and specialty construction work to Native American casino projects. We see this trend continuing in unique and interesting ways into 2015 and beyond.

### **Gabriel S. Galanda, Partner Galanda Broadman**



Gabriel S. Galanda

2015 will bring answers to growing questions surrounding the National Indian Gaming Commission's ambivalence about enforcement of the Indian Gaming Regulatory Act.

In Bay Mills, various state amici curiae argued to the U.S. Supreme Court that the "Commission only rarely invokes its authority to enforce the law against Indian tribes." That criticism tracks with the U.S. Government Accountability Office (GAO)'s recent preliminary report to Congress that "[i]n recent years, the Commission has rarely initiated enforcement actions." According to GAO findings, the NIGC issued a single Notice of Violation in 2012 and 2013 – combined.

Meanwhile, as tensions boil over at several California tribal casinos, people are asking: Where's the NIGC? After prolonged IGRA violations and related physical violence within the Picayune Rancheria of Chukchansi Indians, a federal judge closed the tribe's casino, describing the situation as an "explosive keg." The NIGC took no enforcement action for nearly three years. According to the *Fresno Bee*, former NIGC



Chairman Phil Hogen said “he’s unsure why the NIGC now takes longer to file action against tribes not following Indian gaming regulations than it did under his watch.”

Likewise, the NIGC failed to help resolve a violent situation within the Paskenta Band of Nomlaki Indians this summer. Former NIGC Regional Director Ken Many Wounds issued an investigatory report that described an “unprecedented show of force by armed guards” and “palpable potential for violence” throughout Paskenta’s casino floor. He expressed “surprise that the NIGC has not taken swift action to shut down the Rolling Hills Casino” and “by the rather nonchalant pace of the NIGC’s investigation” into obvious IGRA and state-tribal compact violations.

And as mass Indian disenrollment accompanies these catastrophes, so do tribal revenue allocation plan-related IGRA violations. Yet, the NIGC has not taken a single enforcement action for improper tribal gaming per capita payments in over five years.

Given that certain tribes’ irresponsible use of gaming revenues once caused Senator John McCain to propose an IGRA amendment to allow federal review of a “reasonable method of providing for the general welfare of the Indian tribe and the members of the Indian tribes,” non-offending tribes should be concerned.

Indeed, with the GAO’s final report expected before long, as Dave Palermo posits, its “critical assessment” of the Commission, “coupled with diminished NIGC enforcement, could be viewed by senators as justification to seek increased federal regulation of the industry.” Before that opportunity might present itself to the Republican-controlled Congress, hopefully the NIGC will reestablish a meaningful enforcement presence in Indian Country.

### **John Hinton, Director of Midwest Operations Bergman, Walls & Associates**



John Hinton

For the design and construction industry, Indian gaming continues to be a very competitive market with tight budgets and design fees. It currently accounts for 43% of the gaming market in the U.S. and has continued to increase year over year. Tribal casinos have seen significant revenue growth from their ancillary spaces, and this should continue to increase in 2015. While construction growth for the year is predicted to be moderate, financing

such projects is more readily available making it a great climate for owners to get projects completed at reasonable costs. As the market and the overall U.S. economy continue to expand, we

should see more existing facilities being updated and improved. Pending land to trust approvals should spark several new facilities and allow for further improvement in the market.

With the growth in revenue this past year from ancillary spaces, casino properties will be looking to add amenities like hotels, coffee shops, event centers, restaurants, entertainment venues and others to better serve guests and encourage them to remain on the property longer. Tighter competition between rival gaming facilities will require owners to upgrade existing facilities. We will see improvements to the exterior for curb appeal, mechanical systems for improved air quality and to parking, back of house areas and the gaming floor for an enhanced guest experience. Through social media, the news of a patron’s experience travels fast; every effort must be made for a positive experience and this starts with the facility itself.

Technology advancements in hand-held gaming devices, signage and gaming equipment will continue to evolve and influence the layout of gaming floors. Costs for energy efficient products and systems continue to come down, making these more affordable and allowing them to be incorporated into more facilities - existing and new. Such options are good business as they reduce operating costs for the facility.

Projects in 2015 will continue to have tight budgets and very short schedules that allow the owner to open as soon as possible and which require the owner, design team, and contractor to work together closely to complete projects on schedule and within budget.

Guest experience will always be the most important element to the gaming industry, and properties which incorporate great design, keep up with technology and maintain the best atmosphere and service for their patrons will always be the most successful.

### **Kell Houston, President Houston Productions**



Kell Houston

Continuing in 2015 will be the entertainment trends that have started to create big changes in casino properties across the country. More and more casinos are working hard to attract the Millennials. It’s the future.

Country Music is the new Top 40 and new artists are getting plenty of airplay and TV recognition. Plus unlike the more mainstream acts, they are affordable. You will continue to see young artists that were just on one of the award shows like the ACMs or CMAs playing the casino circuit.

You will also continue to see artists that you used to only see in performing arts centers or theaters, coming to

casinos. Reality TV stars are doing great business with players club special events and this will continue to grow.

Ticketing continues to be a hot topic, because of the information it can provide about your guests & customers. No longer is ticketing just finding someone to print tickets. It's become a very sophisticated business and you need to be on the cutting edge today with new ticketing technology.

Live concerts with big-name acts have casinos rocking to younger crowds. It's not the old fogey circuit anymore. Don't get left behind.

### Knute Knudson, Vice President of Business Development IGT



Knute Knudson

In many respects, 2015 will likely look a lot like 2014 for Indian gaming. Tribes will remain laser-focused on the growth and development of tribal government gaming; Class II games will play several roles in supporting that growth; and online gaming and regulatory issues will continue to receive serious tribal attention and input.

There is a perception that tribal gaming growth has stalled. That's not an accurate view. While the growth rate of tribal gaming has slowed in a challenging economy, tribal gaming revenues continue to rise. Tribal governments have intensified their efforts to increase revenue from tribal gaming by growing their existing operations and by developing new gaming operations as market demand and regulatory restrictions allow. Going forward, careful use of state-of-the-art technology and development of untapped opportunities will play prominent roles in that growth.

On the technology front, Class II games will continue to create growth opportunities in tribal gaming in the coming year. Class II game appeal is improving and is attracting increased play. Class II games also support the growth of Class III gaming, as they provide vital leverage for tribes in their relations with state governments. With Class II games, tribes have an increasingly viable alternative to Class III games and so are not stuck in a "take it or leave it" position as they negotiate or renegotiate Class III gaming compacts. That leverage will become all the more critical as compacts come up for renewal or renegotiation. And, Class II games provide options to tribes whose game numbers may be limited by compact terms. In such cases tribes can meet added demand with Class II games at Class III casinos.

The development of online gaming law for poker and other pay games at the federal and state level will continue to

receive tribal input and attention. Meanwhile, social gaming is seeing increased use by tribal operators and that trend is likely to continue in 2015.

Finally, regulatory developments will continue to remain a concern for tribal gaming development. A *Carcieri* fix and application of the *Carcieri* decision to land in trust decisions, federal regulations regarding tribal recognition, and several pending court cases with the potential to impact tribal gaming regulation will be closely watched in 2015 by tribes and by those who support tribal gaming.

### Sheila Morago, Executive Director Oklahoma Indian Gaming Association



Sheila Morago

Indian gaming in Oklahoma is heading for a monumental milestone by the end of the second quarter of the 2015 fiscal year.

Ten years ago, Oklahomans passed the state question that introduced casino-style covered games into the state. Initial projections estimated the exclusivity fees rendered according to the compact would generate approximately \$77 million a year. Instead, the fees regularly double that amount.

Oklahoma tribes proudly contribute the fees to the state, and in turn, Oklahoma common education is the most direct beneficiary. By the middle of 2015, Oklahoma's tribal gaming will have contributed \$1 billion to education in our state. Yes, that's billion, with a "b."

Oklahoma gaming has seen increasing revenues each year, as much as 14.4 percent since 2009. Education isn't the only sector that benefits; the surrounding communities do, too. The tribal gaming operations add well-paying jobs and increase the sales tax base for their surrounding community. Keep in mind the increase in revenues came during one of the worst recessions in U.S. history. This resilience tells us that our gaming operations are fulfilling a missing entertainment and cultural need here in Oklahoma.

In the coming year, Oklahoma tribes will continue to build new operations, many already in progress. Thanks to the revenue generated from gaming, renovations at old operations will proceed, and the tribes will continue to add health clinics, educational funding, infrastructure and additional government services. Tribes see their gaming operations as both an investment in their members and in their surrounding communities.

If the past ten years are any indication, the tribes' economic vision that brought gaming to our state will only continue to grow.

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## Michael E. Newell, Regional Sales Mgr. Nova Technologies LLC



Michael E. Newell

Indian gaming will continue its growth surge throughout 2015 and beyond. However, getting there may be a bit murky with potential hurdles to overcome.

The economic downturn, not yet ancient history nor completely cured, took its toll on tribal budgets across the board the last few years. Hard learned lessons with fiscal responsibility will remain with us, but I expect to see some loosening of funds for investments in new technologies, particularly with new slots and attractions designed to attract millennial players. I also expect to see steady improvement with infrastructure spending across most venues, especially at destination venues. Local market venues will behave similarly but will mainly focus on small scale infrastructure improvements, right-sizing the gaming floor, and improving creature comforts for their mostly local and loyal audiences. I also expect to see player club loyalty programs being refocused to provide greater incentives to those patrons spending the most money, which hopefully will increase venue visits among the bigger spenders; a strategy now being employed by some major airlines.

Internet gaming looked like a winning strategy for Indian Country a couple of years ago, but recent developments may hamper efforts by Indian Country and others to tap into the potentially lucrative USA iGaming market. UIGEA, (the Unlawful Internet Gaming Enforcement Act) is being reassessed and more likely will strengthen and possibly threaten intra-net gaming authorized by New Jersey and potentially jeopardizes other jurisdictions as well, probably including Indian Country. And, the first company authorized for iGaming originating in Nevada folded recently for purely economic reasons. In 2015, we will get a firsthand look at how legislation will play out with a republican dominated Congress in place.

Again, on the upside is the venerable Class II gaming engines that continues to drive new earnings, and new venues with a resurging interest in tribal owned and operated travel plazas and convenience stores. Yes, those smaller cousins to brick-and-mortar casinos are powerful earners with minimal infrastructure strictures needed at the larger facilities. And, even better is that Class II earning power closely mimics Class III devices, and maybe outdoes Class III when compact fees are taken into account. This likely accounts for numerous destination facilities embracing Class II to offset higher fees and add to the bottom line of the venues.

So again, Indian Country is headed into another banner year for its gaming enterprises.

## Victor Rocha, Editor Pechanga.Net



Victor Rocha

The anemic revenue of legal online gambling in New Jersey, Nevada, and Delaware took the wind out of the sails of iGaming in 2015. With a Republican majority in the Senate and House next year, we'll see a continued loss of momentum.

Never willing to wait for others, Indian Country will seek to expand its bottom line with major investments in nongaming casino amenities. You have only to look at November 2014 for examples of this

trend: Turning Stone announced a \$100 million retail, dining, and entertainment center; Foxwoods will spend \$120 million on an upscale Tanger Outlet shopping center; Pechanga is planning a \$285 million expansion of its hotel, 4-acre pool resort, and a new outdoor concert area.

I expect more tribes to pursue commercial gaming licenses in 2015. Mohegan Sun went down to the wire in Massachusetts, and tribes are well positioned to win future commercial licenses. Speaking of online gaming, California will be the only state in play for Indian Country in 2015. The different sides are still far apart, but too many people want iGaming to happen for it to fail.

All in all, it's going to be another exciting year for our industry.

## Linda J. Roe, VP of Business Development & Client Relations Thalden-Boyd-Emery Architects



Linda J. Roe

As an architectural firm, we've seen steady advancement in innovative technologies and astute management strategies from our tribal clients. The tribal councils we've worked with tend to be savvy business people. We've seen them move quickly to expand on the initial success of their casinos by adding hotels, parking garages and other revenue-boosting amenities to their properties. This has proven to be very good for tribal business, and we expect we'll see

more development, renovation, and expansion as they grow in such competitive markets. More tribes are finding ways to partner with other tribes for new business development ventures, giving them opportunity for expanded growth. We see strong evidence for continued expansion in the coming year.



Managing the intricacies of IGRA's Class II limitations will continue to be an issue in 2015, both as a way to compete with bigger 'non-Indian' gaming companies and to negotiate more lucrative 'Class III' compacts with state governments. In the meantime, tribes have made their Class II facilities extremely profitable by making them more exciting and appealing. They've done that via continual innovation in graphics, enhanced and specialized marketing, and even game architecture [the 'cashless' system innovation came out of Indian gaming, and is now the preferred system of casinos worldwide]. More tribes are adding Class II games to their gaming floors, and there is even talk about using the Internet to link Class II games between reservations. Class II gaming has a very important future.

The years ahead are about tribal sovereignty. Sovereignty is the engine that drives the success of the tribe, which leads, in turn, to successful diversification of their business interests. As tribes use their gaming revenues to expand their casino properties and diversify their businesses, their sovereignty deepens and intensifies. Maintaining this level of independence and autonomy gives the tribes greater leverage when sitting down with state officials to negotiate amendments or compact renewals. For all these reasons, we predict Indian gaming will continue to prosper in 2015.

### **Ernest L. Stevens, Jr., Chairman National Indian Gaming Association**



Ernest L. Stevens, Jr.

As we look forward to 2015 we are reminded of our past. Just 34 years ago, the bingo halls of the Seminole Tribe of Florida opened as a way to develop economic activity on their reservation. Today, there are over 460 gaming enterprises operated by our tribal nations all over the country. With new developments in technology and Internet gaming, we must stay abreast of these trends in order to understand how to regulate the

industry and continue to increase Indian gaming gross revenue in order to enhance the general welfare of our people.

Over the past few years Indian gaming has seen an increase in gross revenue according to the National Indian Gaming Commission (NIGC) after remaining virtually steady from 2007 to 2010. With Indian gaming revenue at \$28 billion in 2013, we expect that 2014 will meet or slightly exceed that number. While there is no clear upward trend yet in gaming revenues, the Indian gaming industry is encouraged by the general health of the overall economy and unemployment that continues its decline. This trend is expected to continue as the economy gradually improves. Years of double digit growth in Indian gaming revenues set the table for tribal nations to build economic foundations for future self-sufficiency. We hope to

see a return to those strong economic times.

In 2015, with a new Congress and new challenges, we can expect to see tribal-federal relationship put to work. Not only do the protections of tribal sovereignty need to be upheld, but we also need the assistance of our fellow citizens and the United States Congress. We must be engaged with our elected leaders in Washington, and stay true to the principals and interests of our tribal citizens.

There may be benefits of Internet gaming but there are still areas of concern. While technologic aids are part of Class II and Class III gaming, the Internet was not fully contemplated by the authors of IGRA. Since there currently is no federal law addressing the lawfulness of Internet gaming, the states and tribal governments are looking at ways to regulate the Internet based on location, age and types of wagers.

These factors lead us back to sovereignty. Gaming has upheld and strengthened tribal sovereignty, and it has delivered the resources necessary to provide for our tribal citizens. The economic development afforded by gaming has shown Indian Country's intrepidity, self-reliance, courageousness and now pride in a proven economic multiplier.

Tribes will continue to make Indian gaming work for them and their communities. It is not always easy with the many competing interests that tribes face, but since IGRA's passage in 1988, tribes have found a way to make gaming work positively for their people and their reservations.

### **Daniel J. Tucker, Chairman California Nations Indian Gaming Association**



Daniel J. Tucker

The coming year is poised to present California's tribal governments with many challenges and opportunities. From tribal state gaming compacts to online poker, the California Nations Indian Gaming Association (CNIGA) is poised to confront each issue with the hard work and determination for which California's tribal governments are known.

CNIGA will start 2015 with the Western Indian Gaming Conference (WIGC) on February 10-12. Issues to be discussed include regulation, gaming and tax compacts, financing, and smoke free casinos, to name a few. Leaders from throughout the nation are expected to attend.

CNIGA membership continues to grow. With the recent addition of the Mooretown Rancheria and Indian Energy, LLC, tribal and associate memberships are strong. We are thrilled to welcome our new members and look forward to welcoming additional members in the coming year.

Tribal government gaming is a powerful economic engine.

California's tribes are proud of the contributions we make and look forward to another year of building strong tribal governments, protecting our inherent sovereign rights, and preserving our culture for generations to come. 2015 will continue to be a year of growth, both for the industry and for the association.

**Joseph Valandra, Managing Member & CEO Great Luck**



Joseph Valandra

It is my prediction that during 2015 we will see major changes in the casino industry as it realizes that the demand for online entertainment is an ally not a harbinger of disaster. I believe we will see a new view of how to deliver and play games, the regulation and control, and the way customers access and experience entertainment opportunities. I believe that the leadership position for this evolution will be taken up by tribal governmental gaming.

Access to the Internet has changed lives in a number of mean-

ingful ways. It has unleashed a great transformation that allows retrieval of information and services through a swipe or a click. Over 85 percent of Americans use the Internet and there are over 900 million users of social media around the world on any given point on any day. As the Internet continues to fuel innovation for American consumers, tribal governments are rightly pursuing all online opportunities as instruments for economic growth.

There is no dispute that virtually every technological advancement in casino gaming in the last twenty-five years has come from tribes - ticket-in/ticket-out, server-based games, and wide-area progressives to name but three. Tribal governmental gaming has led the way and will continue to do so.

Tribal governmental gaming has a well-defined distinction from other segments of the casino industry, in that the Cabazon decision and the IGRA recognizes sovereign tribal jurisdiction for the regulation of Class II games. I predict that the game commonly known as Bingo - Class II - will lead the way in technological advancements effecting how all games are viewed and played using access to the Internet.

My confidence comes from the history of tribal governmental gaming. It seems obvious that tribes will embrace technological innovation by developing thoughtful and common sense regulation and lead the industry into the future. ♣

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