



United States Department of the Interior

OFFICE OF THE SECRETARY

Washington, D.C. 20240

DEC 05 1995

Honorable Donald G. Sampson
Chairman, Confederated Tribes of the
Umatilla Indian Reservation
P.O. Box 638
Pendleton, Oregon 97801

Dear Chairman Sampson:

On October 23, 1995, we received Amendment II to the Compact (Amendment) between the Confederated Tribes of the Umatilla Indian Reservation (Tribe) and the State of Oregon (State), dated October 20, 1995. We have completed our review of the Amendment and conclude that it does not violate the Indian Gaming Regulatory Act of 1988 (IGRA), Federal law, or our trust responsibility. Therefore, pursuant to Section 11(d)(8)(A) of the IGRA, 25 U.S.C. § 2710(d)(8)(A) and delegated authority in 209 DM 8.1, we approve the Amendment. The Amendment shall take effect when the notice of our approval, pursuant to Section 11(d)(3)(B) of IGRA, 25 U.S.C. § 2710(d)(3)(B), is published in the FEDERAL REGISTER.

We wish the Tribe and the State success in their economic venture.

Sincerely,

/S/ Ada E. Deer

Ada E. Deer
Assistant Secretary - Indian Affairs

Enclosure

Identical letter sent to: Honorable John Kitzhaber
Governor of Oregon
254 State Capitol Salem,
Oregon 97310

**TRIBAL-STATE COMPACT FOR REGULATION OF
CLASS III GAMING BETWEEN THE CONFEDERATED TRIBES OF
THE UMATILLA INDIAN RESERVATION OF OREGON AND
THE STATE OF OREGON**

AMENDMENT II

This amendment is made to the Class III Gaming Compact between the Confederated Tribes of the Umatilla Indian Reservation of Oregon and the State of Oregon executed on November 29, 1993, and approved by the Secretary of the Interior on February 2, 1994. The terms of this amendment are in addition to and, except as specifically provided herein, do not supersede any of the provisions of the original compact.

WHEREAS, the continued growth and success of tribal gaming depends upon public confidence and trust that the tribal gaming operation is honest, fair and secure, and is free from criminal and corruptive influences;

AND WHEREAS, public confidence and trust can be maintained only if there is strict compliance with laws and regulations related to licensed gaming establishments, by all persons involved in the gaming operation;

AND WHEREAS, the relationship between the State and the Tribes rests on mutual trust and the recognition that each has a primary duty to protect the gaming public through separate, appropriate responsibilities during the life of current and future Compacts;

AND WHEREAS, the Tribes wish to amend the Compact to provide for regulation of house banked blackjack at the gaming facility;

AND WHEREAS, the State agrees that the circumstances justify this Amendment;

NOW THEREFORE, the Tribes and the State hereby approve the following amendments to the Compact:

I. Section 4 is amended to add a new Subsection G and Appendix D, as follows:

G. Additional Authorized Game at Gaming Facility.

1. In addition to the games identified in Subsection E of this Section, and subject to the conditions prescribed in this subsection, the Tribes may engage in house banked blackjack as described in Appendix D, at the gaming facility.
2. Before house banked blackjack is conducted at the gaming facility the Tribal Gaming Commission shall:
 - a. Ensure that the Gaming Facility Management develops rules and procedures for a system of internal controls that meets the minimum standards established in Appendix D.
 - b. Require the Gaming Facility Management to provide appropriate training for all dealers, supervisors and surveillance personnel involved in house banked blackjack, and for the Tribal Gaming Inspector, according to the minimum training standards established in Appendix D.
 - c. Ensure that the Gaming Facility Management establishes a security and surveillance plan that meets the minimum standards established in Appendix D.
 - d. Promulgate rules of operation for house banked blackjack that meet the minimum standards established in Appendix D, including rules of play, standards for equipment.
 - e. Promulgate a dispute resolution procedure that provides for investigation and review of any player complaint.
3. The Tribes shall establish an initial wager limit of \$50 per hand, except that the Tribes may offer a maximum wager limit of \$75 per hand on one table. After a period of two months of operation of house banked blackjack in full compliance with the requirements of

this subsection, the Tribes may change the initial wager limit from \$75 to \$100 for one table. After any period of six months of operation of house banked blackjack in full compliance with the requirements of this subsection, the Tribes may request a change in the initial wager limits. The State may refuse to agree to an increase in the initial wager limit if there have been any significant problems with the conduct of house banked blackjack due to noncompliance with the internal controls, the rules of operation of the game or with the terms of this subsection. The amount of any increase in the wager limit must be agreed to by both the State and the Tribes.

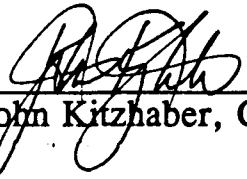
- 4. The Tribes may operate a maximum of four tables of house banked blackjack at the gaming facility during the term of this agreement. The Tribes also agree that during the term of this amendment the Tribes will not increase the number of video lottery terminals beyond the 300 currently in use at the gaming facility, except that the Tribes may increase the number of video lottery terminals by decreasing the number of blackjack tables on the gaming floor and vice versa. An increase of eight video lottery terminals is permitted for each decrease of one blackjack table permitted under this subsection.**
- 5. Consistent with their memorandum of understanding governing law enforcement coordination executed under Section 5 of this Compact, both the Tribes and the State, through their respective law enforcement agencies, agree to cooperate with one another in the investigation and prosecution of any gambling crime committed at the gaming facility. The Tribes and the State agree to cooperate in establishing a state-wide system to identify and monitor persons excluded from the gaming facility or from any other tribal gaming facility in this State.**
- 6. The Tribes and the State agree to the Memorandum of Understanding set forth in Exhibit I to this Amendment.**
- 7. Except as specifically provided in this amendment, this amendment does not operate to modify Subsection B of Section 4 of the Compact in any other way.**

8. This amendment expires on June 30, 1996. Unless an extension of this amendment or a permanent amendment governing the operation of house banked blackjack has been negotiated and executed before the expiration of this amendment, the Tribes agrees to terminate blackjack games at the gaming facility until a new agreement has been negotiated and executed.

EXECUTED as of the date and year below.

STATE OF OREGON

CONFEDERATED TRIBES OF THE
UMATILLA INDIAN RESERVATION
OF OREGON



John Kitzhaber, Governor

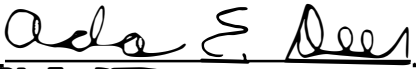


Donald G. Sampson, Chair

Date: 10-20-95

Date: 10 19 '95

APPROVED BY THE ASSISTANT SECRETARY - INDIAN AFFAIRS

By: 

ADA E. DEER

Date: 12-5-95

**TRIBAL-STATE COMPACT FOR REGULATION OF
CLASS III GAMING BETWEEN THE CONFEDERATED TRIBES OF
THE UMATILLA INDIAN RESERVATION OF OREGON AND
THE STATE OF OREGON**

APPENDIX D

HOUSE BANKED BLACKJACK

I. DEFINITIONS

As used in this Amendment and Appendix the following definitions shall apply:

Blackjack. "Blackjack" is a card game in which the object of the game is to accumulate cards with a total count nearer to 21 than that of the dealer.

Industry Standard. "Industry standard" refers to standards accepted or approved by the Nevada Gaming Control Board and the Nevada Gaming Commission. If the Nevada Gaming Control Board and Nevada Gaming Commission have no accepted or approved standard, "industry standard" refers to the commonly used practice in the gaming industry in the State of Nevada.

II. ADOPTION OF RULES FOR HOUSE BANKED BLACKJACK

A. The Tribal Gaming Commission shall adopt rules to govern the conduct of house banked blackjack at the gaming facility. Current copies of the game rules in effect shall be provided to the State. The rules shall include:

1. Procedures of play
2. Minimum and maximum permissible wagers
3. Payout on each form of wager
4. Procedures to be followed on occurrence of irregularities in play
5. Prohibitions on side betting between and against player and against the house
6. Hours of operation

Summaries of the rules for the method of play and payouts on winning bets shall be visibly displayed in the gaming facility and betting limits applicable to any gaming station shall be displayed at such gaming station.

B. The Tribal Gaming Commission shall also adopt specifications (may be provided by the equipment manufacturer or supplier) applicable to gaming equipment for:

1. Physical characteristics of chips; and
2. Physical characteristics of the following:
 - a. Cards (including procedures for receipt and storage)
 - b. Blackjack tables
 - c. Blackjack layouts
 - d. Dealing shoes (including procedures for receipt and storage)
 - e. Such other equipment as may be required for use in the game.

C. The Tribal Gaming Commission shall establish and provide to the State for review the rules and procedures for use of drop boxes at each gaming station to include: security, transportation to and from gaming stations, storage, counting and recording contents.

D. The Tribal Gaming Commission shall establish and provide to the State the duties, responsibilities and operating procedures for supervisors, pit bosses, floor managers, security and surveillance personnel.

III. INTERNAL CONTROLS

The Tribal Gaming Commission shall develop rules, policies, procedures and regulations for house banked blackjack, consistent with industry standards, that include provisions for the following:

1. Dealer Qualifications and Training Procedures
2. Shuffling, Cutting and Dealing Procedures
3. Specific Game Procedures & Rules
4. House Bank Rules (stake/chair or table rental if any)
5. Bet/Wager Limit By Table or Game .

6. Card Inventory, Security, and Storage
7. Replacing Decks
8. Destruction of Used Decks
9. Qualifications and Training for Floor Supervisors and Pit Bosses
10. Chips
 - a. Denominations
 - b. Storage and Security
 - c. Table Inventory
 - d. Replacement Procedures (changing chip design)
 - e. Payment Procedures for Replaced Chips
11. Accepting Tips by Dealers
12. Federal and State Tax Reporting
13. Distributing gaming chips to gaming stations
14. Procedures for opening and closing gaming stations
15. Procedures for removing chips and coins from gaming stations
16. Table Identification

IV. TRAINING

A. The Tribal Gaming Commission shall require each blackjack supervisor, each pit boss, each blackjack dealer and all surveillance personnel to be trained either by a training school, academy or college recognized under industry standards or through an in-house training program such that the supervisor, pit boss, dealer or surveillance employee has the knowledge and skills required under industry standards for the job function that employee performs.

B. If blackjack dealers are trained through an in-house training program, the Tribes and State must agree that the training program meets the following minimum standards:

1. A minimum of 96 hours of instruction.
2. The instruction shall consist of a combination of lecture and laboratory.
3. The instruction shall be provided by an instructor licensed by the Tribal Gaming Commission.

4. The curriculum must be designed to provide students with the knowledge and skills necessary to satisfy entry level requirements common in the industry.

C. Each blackjack supervisor, pit boss and surveillance officer, shall receive training sufficient to meet industry standards in the areas of game protection, player money management and betting, card counting, and detection of other cheating methods.

D. The Tribal Gaming Commission may license blackjack trainers. At a minimum those licensees shall demonstrate sufficient skills, and meet minimum requirements that are consistent with industry standards, in the area of house banked blackjack. The Gaming Commission shall impose appropriate requirements for trainer licensing, such as graduation from a training school, academy or college recognized by the industry as having expertise in the areas of casino management and house banked blackjack, or an acceptable substitute of actual experience and references and a demonstrated ability to teach blackjack dealing skills and/or blackjack theory and games protection.

E. Training standards and programs shall be submitted to the State for review and comment. If the State determines that the Tribes' training standards or programs do not meet industry standards, or that the standards are not met in dealer or supervisor training, dispute resolution may be initiated.

V. SURVEILLANCE SYSTEMS

A. SURVEILLANCE SYSTEMS (GENERAL)

1. The purposes of a gaming facility surveillance system is to safeguard assets, to deter, detect and prosecute criminal acts, and to maintain public confidence and trust that Tribal gaming is conducted honestly and free of criminal elements and activity.

2. The Primary Management Official shall develop a surveillance system plan, and install, maintain and operate the gaming facility surveillance system in accordance with the standards set forth in this Appendix. The surveillance system plan shall be approved by the Tribal Gaming Commission if it satisfies the minimum standards.

3. The Primary Management Official shall submit the surveillance system plan to the State for review within 30 days after the date of execution of this amendment.

4. The plan shall include a description of all equipment utilized in the surveillance system; a blueprint or diagram that shows all of the areas to be monitored and the placement of surveillance equipment in relation to the activities being observed; a description of the procedures utilized in the operation of the gaming facility surveillance system; a description of the qualifications, training, and procedures of surveillance personnel; organizational reporting structure for surveillance personnel; and any other information required by the standards set forth in this Appendix.

5. The State shall review the proposed surveillance system plan submitted by the Tribes and advise the Tribal Gaming Commission and the Primary Management Official whether the minimum standards are satisfied. The State shall review the installation of the surveillance system when a review and inspection is performed. The State shall advise the Tribal Gaming Commission and the Primary Management Official whether the surveillance system has been installed, maintained, and operated according to the minimum standards. The Tribes agrees that the surveillance system will be altered as necessary to meet the minimum standards. If the Tribes currently has a surveillance system in place, the surveillance plan may use a combination of current equipment and new to meet the standards, if there is no compromise of picture and recording quality.

6. In addition to the access granted under section 9.B.1. of the Compact, the State may review the operation of the surveillance system at least twice each year during an announced compliance audit. The State shall have access at any time to all surveillance records, tapes, reports and monitoring rooms at any time for the purpose of monitoring compliance with minimum standards and to confirm gaming integrity or security.

7. At the completion of any random or scheduled inspection the State will report its findings concerning the surveillance system to the Tribal Gaming Commission and the Primary Management Official. The Tribes and the State agree that the results of the inspection are for the internal use of the Tribes and the State and, to the extent allowed under Oregon law, shall not be disclosed to anyone other than the Tribal Gaming Commission and the Primary Management Official unless such disclosure is necessary for resolution of a dispute pursuant to the procedures in Section 16 of the Compact, or to provide evidence for a criminal prosecution.

8. The Primary Management Official shall separate management of the functions of security and surveillance within the gaming facility.

9. The State shall perform a background investigation on all personnel employed as surveillance personnel, as provided in section 7 of the compact.

B. SURVEILLANCE SYSTEMS MINIMUM STANDARDS

1. SURVEILLANCE SYSTEM EQUIPMENT

- a. The surveillance system equipment must be able to identify each player, the dealer, and be of sufficient resolution and clarity to read individual cards and money denomination.
- b. The surveillance system shall be a combination of fixed cameras and pan-tilt-zoom (PTZ).
- c. The cameras and monitors may be either black and white, color or a combination of both. (The State recommends, but does not require, a combination of black/white and color.)
- d. The primary surveillance room and monitors must have override capabilities.
- e. Gaming Facility management shall establish communications systems on the gaming floor that are capable of immediately alerting surveillance personnel.

- f. Telephones on the gaming floor shall have the capability of a direct line or extension to the surveillance personnel.
 - g. Surveillance personnel in the surveillance room shall have radio communication with security personnel if security officers have radio communication with each other.
 - h. Surveillance equipment shall include a means by which surveillance personnel may observe and videotape all money transfers between the cashier and the gaming floor as transfers occur. The surveillance plan shall provide a means by which surveillance personnel can verify the locations, table number, time, date, and amount of transfers, and to whom the transfers were made.
 - i. All monitors being recorded must display time and date on screen
 - j. All fixed cameras will be continuously taped/all PTZ cameras will have the capability for taping of what is being monitored.
2. **SURVEILLANCE SYSTEM EQUIPMENT LOCATIONS.** At a minimum, surveillance cameras must provide:
- a. **Main cashier**
 - (1) Overview of cage working area
 - (2) Ability to identify patrons and employees
 - (3) PTZ or fixed camera allowing identification of cash transactions at each cash drawer
 - (4) Camera over file window
 - b. **Soft count room**
 - (1) Clear view of entire count room
 - (2) Camera directly over count table to identify dollar amounts
 - (3) Clear view of vault
 - (4) Clear view of drop box
 - (5) Ability to read counting scale/meter

- c. **Hard count room (if used)**
 - (1) **Clear view of entire count room**
 - (2) **Clear view of wrapping and/or counting machine**

- d. **Pit**
 - (1) **Ability to determine chip value and card value**
 - (2) **Clear view of playing surface**
 - (3) **Ability to identify patron, employee and table number**

- e. **Card Game Tables**
 - (1) **Fixed camera at each table**
 - (2) **Same view and identification requirements as pit cameras**

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**EXHIBIT I
MEMORANDUM OF UNDERSTANDING
PURSUANT TO
THE TRIBAL-STATE COMPACT FOR REGULATION OF
CLASS III GAMING BETWEEN**

**THE Confederated Tribes of the Umatilla Indian Reservation of Oregon
and the State of Oregon.**

This Memorandum of Understanding (MOU) is entered into at the same time as Amendment II to the Tribal-State Compact for Class III Gaming between the parties is executed. This MOU is to furnish certain operating guidelines for the Class III Gaming Compact. The parties to this document are the Confederated Tribes of the Umatilla Indian Reservation (hereinafter referred to as the Tribes) and the Oregon State Police (hereinafter referred to as the State).

This document succeeds and replaces the MOU executed in October 1994, and constitutes the MOUs contemplated by sections 7 and 10 of the Compact.

I. The purpose of this MOU is:

- A. To establish procedures for performance of the agreed responsibilities identified in the Compact;
- B. To address the obligations of the Tribes to reimburse the State for the cost it incurs in doing background checks pursuant to Section 7.C. of the Compact and for monitoring of the Tribal Gaming Operations under Section 10 of the Compact; and
- C. To identify any additional law enforcement, gaming security and gaming regulation assistance as may be provided by the State or requested by the Tribes from time to time. The parties to this MOU acknowledge that this document satisfies the obligations of the Tribes and the State pursuant to the Compact.

II. THE STATE'S COMMITMENTS

- A. The State shall conduct background investigations on each prospective Primary Management Official and High Security Employee as provided by Section 7.A.4.a. of the Compact. The State shall provide a written report to the Tribal Gaming Commission on the findings of said background investigation within a reasonable period of time. Every effort will be made to complete the investigation within 30 days, but at no time will the investigation exceed 60 days without the consent of the Tribal Gaming commission. In the event that a background investigation exceeds 30 days, the Tribal Gaming Commission will be provided a briefing, upon the Commission's request, that will outline the investigation, concerns and approximate conclusion date of the investigation.**
- B. The State may, at the request of the Tribes, perform background investigations on any prospective Low Security Employee as requested by the Tribal Gaming Commission as provided in Section 7.A.4.b. of the Compact within the time frame in paragraph A above.**
- C. The State may perform a background investigation on each contract applicant for a Class III Gaming Contract as provided in Section 7.B. of the Compact. The State shall also provide its review and comment on any such contract. The State will not commence a background investigation on a vendor, management company, or contractor until a notice of intent to conduct business is received from the Tribes. The State shall conduct an update investigative review annually of each vendor, management compact and gaming contractor. The annual investigative review will be conducted at the expense of the vendor, management company or gaming contractor. The Tribes shall include in any future contracts a request that the contractor agrees to pay for the annual review.**
- D. The State shall monitor the Tribal Gaming Operation to insure that it is being operated in compliance with the provisions of the Compact. The State acknowledges that the Tribes may request removal of any state law enforcement officer or monitor placed at the Tribal Gaming Facility as provided in Section 9.B.1. of the Compact.**

- E. The State agrees to provide services to the Tribes as part of its oversight functions as agreed to by the parties in the Compact. The State acknowledges that the extent of oversight is related directly to the size and scope of gaming. Specifically, the State agrees to provide review of the Compact security measures, which oversight will be furnished by a member of the Oregon State Police Indian Gaming Unit, up to but not to exceed 850 hours for the period from October 1, 1995 through June 30, 1996. This oversight shall include, but is not limited to, the following:**
- 1. Assurance that proper procedures are followed as outlined in Appendix A of the Compact.**
 - 2. Kobotron testing of the E-prom chip from each video lottery terminal operating at the Gaming Facility regulated by the Compact.**
 - 3. Provide unannounced on-site facility inspections, minimum of two per month.**
 - 4. Review gaming surveillance tapes of cash transfers from the video lottery terminals (VLTs) to the cash rooms at the facility and procedures for storage and retention of tapes. Review procedures of securing tapes in the event of a Player contested incident, security breach, or major incident at the gaming facility.**
 - 5. Review tapes of cash counting procedures and policies.**
 - 6. Review records kept by the Tribes to assure that VLT hard meter readings match the cash flow.**
 - 7. Immediately notify the Tribes of any discrepancy in the E-prom signature and cash count or any deviation from the rules found in Appendix a to the Compact.**
 - 8. Review and inspection of authorized video gaming devices.**
 - 9. Review of authorized access to sensitive records and logs.**
 - 10. Review of all security measures, rules and regulations.**

11. Review of proper procedures dealing with the retention and destruction of sensitive materials and records.
 12. Inspection of procedures followed on security issues, action taken, and reporting on incidents occurring at the gaming facility.
 13. Review and inspection of accounting procedures.
 14. Review of methods established to resolve disputes with players and reporting of same.
 15. Review of all games to ensure compliance with the requirements of the Compact and the Indian Gaming Regulatory Act.
 16. Assist the Tribes in enforcing sanctions imposed by the Tribal Gaming commission against non-Indians.
- F. It is understood that the State's presence at the gaming site shall be at various times and shall be dedicated to the activities identified in the Compact and this MOU. The State shall not be responsible for the day to day policing and surveillance of the gaming site for activities such as preventing theft or other similar violations of law.

III. THE TRIBAL COMMITMENTS

The Tribes agrees to the following as its obligations under Section 10 of the Compact in exchange for the background investigations and other services provided by the State described above.

- A. The Tribes will advance \$10,000 to the Oregon State Police for the purpose of payment of expenses to be incurred by the State in performance of its responsibility under the Compact. Payment for expenses under this MOU shall first be charged against this advance, and when the advance is depleted charged to and paid by the Tribes.
- B. The Tribes agrees to reimburse the State for the following expenses incurred by the State:

1. **Direct Service Hours.** Direct service hours will be billed by the State and paid by the Tribes at a maximum rate of \$80 per hour, as determined by the State. Direct service hours are actual time spent by Tribal Gaming Unit personnel in performing employee background checks, performing contract applicant background checks (unless paid by the contract applicant), performing Compact monitoring functions and traveling to and from the Gaming Facility or the site of a contract applicant background investigation, for the Tribes. Direct service hours spent performing background checks for Class III gaming contract applicants will first be billed to the applicant, and the Tribe will be responsible for payment only if the applicant fails to pay the costs charged.
2. **Recoverable Fees.** Recoverable fees paid by the Tribal Gaming Unit will be billed by the State and paid by the Tribes at actual cost. Recoverable fees are: fees for processing fingerprint cards, fees for processing credit history checks, and actual per diem expenses (transportation, lodging, food) expenses incurred by Tribal Gaming Unit personnel in connection with direct service hours to the Umatilla Tribes.
3. The Tribes agrees to pay for up to 850 direct service hours for the period beginning on October 1, 1995, and ending June 30, 1996, for the performance of Compact monitoring functions identified in the Compact, the amendments thereto, and the MOU between the Tribes and the State. The Tribes must agree in writing to pay for any additional hours. However, if any investigation of criminal law violations, Compact violations or other regulatory matters, results from the action, review, or inspection by the Tribal Gaming Unit during its monitoring activities, and that investigation requires additional hours of direct service beyond the limit stated in this paragraph, the Tribes agrees to pay the State for the expenses incurred in that investigation. An investigation may be initiated by the Tribal Gaming Unit in its sole discretion. Cost of an investigation of a contractor or management company shall first be billed to the contractor or management company.

- C. Costs included in the base direct service hour rate of \$80 are salary, benefits, services and supplies, capital outlay, administrative supervision and support, vehicle and equipment lease or rental expenses, training costs, legal services charges, bookkeeping expenses, and all other fixed expenses of the Tribal Gaming Unit. The State agrees to provide to the Tribes a budget summary and explanation of the hourly rate for direct services hours prescribed in this MOU.**
- D. In addition to the time and charges described in paragraph B. above, the Tribes agrees to pay the direct service hour rate for any time that personnel of the Tribal Gaming Unit perform law enforcement, security consultation, gaming regulatory consultation or other gaming related services not identified in the Compact or the MOU, if requested by the Tribal Gaming Commission or the Tribes.**
- E. If a dispute arises as to the correctness of an assessment under this Exhibit, the Tribes and the State agree that the Tribes will pay any undisputed amount and that the parties will follow the dispute resolution process set forth in section 16 of the Compact. If the Tribes fails to make any payment within 30 days of the date it is due (except for a partial payment of an assessment under dispute under this paragraph) the State may suspend any background checks that are in process or withhold permission for the shipment of equipment. Failure to pay an assessment in a timely manner shall be considered a violation of the Compact. [The State agrees to work with the Tribal Gaming Commission to develop a method for confirming the number of direct service hours attributable to work performed by the State at the Gaming Facility.]**
- F. The Tribes agrees to provide the State a notice of intent to do business with all vendors, management companies, and gaming contractors prior to signing any contract. Any costs incurred by the State while conducting a background investigation of a vendor, management company, or gaming contractor shall be reimbursed by the Tribes to the State if the prospective contractor fails to reimburse the State. Cost of background investigations shall be paid whether or not a contract is awarded.**

- G. The Tribes agrees to provide appropriate training in Tribal culture, customs, laws and rules to any State officers stationed at or assigned to the Gaming Facility.

IV. PARI-MUTUEL WAGERING

Any off track pari-mutuel wagering on races held at race courses inside or outside the State shall be conducted in compliance with Appendix C of the Compact and the applicable provisions of the Interstate Horse Racing Act of 1978 as amended (15 U.S.C. sections 3001 to 3007). The State and the Tribes agree to confer with the Oregon Racing Commission in the establishment of pari-mutuel wagering with continued oversight provided by the State. The amount of hours necessary for oversight are included in the hours identified in paragraph III.B.3. above.

V. TRIBAL POLICE FORCE

The Tribe and the State agree to negotiate a separate MOU that addresses the respective responsibilities of the State and the Tribe for law enforcement services at the Gaming Facility.

VI. PROCEDURE FOR ASSESSMENTS

- A. In order to provide an established and orderly procedure for assessment of costs incurred by the State under the Compact and this MOU, the parties agree that the State will furnish to the Tribes an itemized statement of the hours worked on tribal business by State employees, as well as an accounting of all recoverable fees incurred by the State during performance of its duties under the Compact and this MOU. It is understood and agreed that expenses incurred by the State prior to the execution of this MOU will be assessed to and paid by the Tribes.
- B. The State will first deduct its costs from the advance paid by the Tribes under paragraph III.A. above. The State will provide an accounting to the Tribes within 30 days following each calendar quarter. The Tribes has the right to contest any expense incurred by the State as provided in paragraph III.E. above.

