



United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, D.C. 20240

JAN 26 1996

Honorable Bruce Brunoe, Sr.
Chairman
Confederated Tribes of the Warm Springs
Reservation of Oregon
1233 Veterans Street
Warm Springs, Oregon 97761

Dear Chairman Brunoe:

On December 15, 1995, we received Amendment I to the Tribal-State Gaming Compact (Amendment) for regulation of class III gaming between the Confederated Tribes of the Warm Springs Reservation of Oregon (Tribe) and the State of Oregon (State), dated December 12, 1995. We have completed our review of this 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,

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 GOVERNMENT-TO-GOVERNMENT COMPACT
FOR REGULATION OF CLASS III GAMING
BETWEEN THE CONFEDERATED TRIBES OF
THE WARM SPRINGS RESERVATION OF OREGON AND
THE STATE OF OREGON**

AMENDMENT I

This amendment is made to the Class III Gaming Compact between the Confederated Tribes of the Warm Springs Reservation of Oregon and the State of Oregon executed on January 6, 1995, and approved by the Secretary of the Interior on March 6, 1995. 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 wishes 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 7.B.6. is amended by adding a new subparagraph j, as follows:

- j. Notwithstanding subparagraphs a, b, or c of this paragraph, if a Class III Gaming Contract application is required to be denied under subparagraphs a, b, or c of this paragraph, because a person previously associated with the applicant or an employee of the applicant has been convicted of a crime, the Tribes may enter into a contract with the applicant if the applicant has severed its relationship with that person or employee. Before the Tribes may enter into a contract under this subparagraph, the State and the Tribes must agree that the relationship between the applicant and the person or employee has been severed. For purposes of this subparagraph, a relationship is severed if the person or the employee has no continuing connection with the direction or control of any aspect of the business of the applicant, and the person or employee is no longer employed by the applicant in any capacity. The burden of showing to the satisfaction of the Tribes and the State that a relationship has been severed is on the applicant.

II. Section 7.A.8. (Temporary Licensing of Employees.) is amended to read:

- a. The Tribes may issue a temporary license to High Security Employees [30] seven days after submission of the application to the Oregon State Police. The Temporary license shall expire and become void upon completion of the background check and award or denial of a permanent license.
- b. The Tribes may employ Low Security Employees on probation upon submission of the application to the state police. Any Low Security Employee shall be subject to immediate termination during probation if the Tribes determines that the employee does not meet the criteria established in sub-subparagraphs (1) through (5) of subparagraph 7.B.5. below.

III. Appendix A. I. is amended to read:

Section 177-100-070

(1) A manufacturer shall not distribute a video lottery game or terminal for placement at the Gaming Facility unless the manufacturer and the game have been approved and the terminal has been certified by the State of Oregon. Only approved manufacturers may apply for certification of a video lottery terminal. [~~Any manufacturer approved for Oregon State Lottery shall automatically be approved for the Tribes' gaming enterprise.~~]

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

H. Additional Authorized Game at Gaming Facility.

1. In addition to the games identified in Subsection B 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. Develop rules and procedures for a system of internal controls that meets the minimum standards established in Appendix D.
 - b. Provide appropriate training for all dealers, supervisors and surveillance personnel involved in house banked blackjack, and for all Tribal Gaming Inspectors, according to the minimum training standards established in Appendix D.
 - c. Ensure that there is established a security and surveillance plan that meets the minimum standards established in Appendix D.
 - d. Adopt rules of operation for house banked blackjack that meet the minimum standards established in Appendix D, including rules of play, standards for equipment.
 - e. Adopt 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 limit. 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 eight tables of house banked blackjack at the gaming facility during the term of this agreement. The Tribes also agrees that during the term of this amendment the Tribes will not operate more than 340 video lottery terminals 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.
 5. The Tribes agrees to cooperate with State law enforcement on 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. The Tribes and the State agree that the gaming area of the Kah-Nee-Ta Facility has been expanded and that the limit on the number of video lottery terminals set forth in Section 4.D.1. of the Compact shall be increased to no more than 403, for the purposes of this amendment only.
- VI. Paragraph IV of this amendment expires on June 30, 1996. Unless an extension of paragraph IV of this amendment or a permanent amendment governing the operation of house banked blackjack has been negotiated and executed before the expiration of paragraph IV of this amendment, the Tribes agrees to terminate blackjack games at the gaming facility until a new agreement has been negotiated and executed. In the event that a compact amendment is uner negotiation the Tribes may replace blackjack tables with video lottery terminals at the ratio of eight terminals per blackjack table.


EXECUTED as of the date and year below.

STATE OF OREGON

CONFEDERATED TRIBES OF THE
WARM SPRINGS RESERVATION
OF OREGON



John Kitzhaber, Governor



Bruce Brunoe, Sr., Chairman
Warm springs Tribal Council

Date: 12/12/95

Date: 11-27-95

APPROVED BY THE ASSISTANT SECRETARY - INDIAN AFFAIRS

By: 

ADA E. DEER

Date: 1-26-96

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**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 Tribal Gaming Commission 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.
3. The Tribal Gaming Commission 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 Tribes 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 of alerting surveillance personnel of money transfers prior to the transfer taking place and a means to advise surveillance personnel of the locations, table number, time, date, and amount of transfers, and to whom the transfers will be made.
 - 1. 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**