

**Development of Internet Gambling Regulations
Conference Call with the National Indian Gaming Commission (NIGC)**

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The NIGC, an agency in the Department of the Interior, oversees most forms of Indian gaming in the United States. The NIGC approves management contracts, processes background investigations for some personnel employed in Indian gaming, and approves tribal gaming ordinances. While the primary responsibility for regulating Indian gaming belongs to the tribes, the tribes and NIGC have roles in the regulation of Class II gaming, and the tribes, NIGC, and the states have roles in the regulation of Class III gaming.

Indian gaming is set up under a three-tier classification system. Class I gaming include traditional tribal games and, practically speaking, are not amenable to being played over the Internet. The NIGC does not oversee Class I games. Class II games include bingo, poker, and card games where players are not betting directly against the bank, whether the gaming venue or another player. Class III games include casino-type games like blackjack and roulette

Each tribe that wants to offer gaming establishes its own gaming authority, which in turn must license gaming facilities on Indian land.¹ A license would likely not specify whether it permits gaming on the Internet, but the specificity would be up to the individual tribal licensing systems. Per the NIGC, each license must be renewed at least every three years. Tribes with Class II and III games must obtain approval of gaming ordinances from the NIGC prior to opening a gaming facility. All ordinance filings are available on the NIGC's website, www.nigc.gov. Class III gaming also requires the tribe to enter into a compact with the State and must have the approval of the Secretary of the Interior.

When approached by tribes about setting up Indian gaming on the Internet, the NIGC has deferred to the Department of Justice's general view that Internet gaming is illegal. The tribes to date have not pursued the matter further except in the limited way described below.

¹ Tribal gaming may only occur on "Indian land" -- recognized reservations or land held in trust or in restricted fee by the United States. That is to say, a tribe cannot simply purchase land on the open market outside its reservation and open a gaming facility on that land.

The NIGC allows some intertribal gaming via electronic means. For example, currently there are intertribal bingo games and wide-area “progressive” jackpots played or made available over a closed network where all participants are physically present at participating Indian casinos. To date, the electronics facilitating this kind of intertribal gaming do not utilize the Internet as far as NIGC is aware. NIGC is, however, currently reviewing whether the use of the Internet for these purposes is permissible under the terms of the Unlawful Internet Gambling Enforcement Act.