



THE NAVAJO NATION

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**FY 2016 Second Quarter Report
(January, February, March 2016)**

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I. EXECUTIVE SUMMARY

- A. The Navajo Gaming Regulatory Office (NGRO) continues to ensure compliance with the Tribal-State Compacts with Arizona and New Mexico, as well, as the federal and Navajo laws and respective regulations. This 2nd quarter, NGRO received its final report on the Arizona Compact Compliance Review at the Twin Arrows Casino Resort. One (1) issue remained; however, in March 2016, the issue was satisfactorily corrected and reviewed by the Arizona Department of Gaming. As a result, a revised final report with zero issues is anticipated.
- B. The Gaming Revenue Distribution Policies Project Team has met and revised the Gaming Revenue Distribution Internal Policies & Procedures in order to streamline the process, provide clarification on the process, and to expand on the Capital Improvement Project process. The Internal Policies & Procedures is ready for approval by the Controller. It was determined that the Gaming Revenue Fund Management Plan will require a revision which is currently in the legislative process. Additionally, this 2nd quarter, the NGRO completed an Orientation on the Gaming Revenue Distribution Policies to the Tuba City Agency Chapters and ASC's.
- C. The Department of Justice and Office of the Attorney General have successfully selected contract attorneys to assist the NGRO specifically with tribal gaming issues, the Navajo Gaming Ordinance and Regulation revisions and other projects.
- D. On March 17, 2016, Senator Bernie Sanders held a town hall meeting at the Twin Arrows Casino Resort. The coordination with NGRO, Twin Arrows Casino Resort staff, the Navajo Police Department, local Sheriff's Offices and the Emergency Medical personnel resulted in a successful event without major issues.
- E. In March, the National Indian Gaming Commission, Phoenix Region, conducted an onsite visit at the NGRO Main Office, Northern Edge Casino, Flowing Water Casino and the Licensing Flagstaff Sub-Office. All were in compliance.

II. CRITICAL ISSUES

- A. The NGRO carryover budget is currently being reviewed. The carryover budget will be used to cover expenses for the remainder of the fiscal year for operating expenses and for personnel positions not budgeted for the full fiscal year. The approved budget in October 2015 was a partial fiscal year budget.
- B. The Navajo Gaming Ordinance, 5 NNC §2001, et al., requires a revision. The NGRO is working with the Department of Justice and Navajo Nation Gaming Enterprise Compliance Director to continue to revise. NGRO now has the resources to complete the revisions in order to implement the State/Tribal Compact in New Mexico.
- C. NGRO continues to review its processes and procedures to make improvements. Some of these improvements require new positions and reclassification of existing positions in order to streamline processes. PCQ's have been submitted

to the Department of Personnel Management this quarter. This will be continued through the next quarter.

III. PROJECT(S) STATUS

- A. With the successful implementation of the issuance of violation reports to the casinos and employees including a corrective action process, the NGRO will be revising its Fund Management Plan to include the receipt of fines assessed by NGRO for violations as authorized by the Navajo Gaming Ordinance (5 NNC §2001, et al.).
- B. The Navajo Gaming Ordinance revisions will continue the revision process since resources became available this past quarter. The revisions will enable the Navajo Nation to implement some of the negotiated points in the State/Tribal Gaming Compact in New Mexico.
- C. The Twin Arrows Casino Resort has completed the renovation of the new buffet. The Trucker’s Lounge is currently in progress. The projects result in the installation of new cameras and relocating other cameras.
- D. The NNGRO.com website has been updated to include the new Navajo Gaming Regulations promulgated in September 2015.
- E. The NGRO is working with the NNGE external auditors to complete the Minimum Internal Control Standards (MICS) portion of the NNGE Annual Audit.
- F. The NGRO Licensing Department has continued to review its processes, and with the assistance of DOJ attorneys, they are now updating their forms and official letters.

IV. BUDGET STATUS

# Of Personnel	FY 2016 Personnel	% Used	FY 2016 Operating	% Used
92	\$ 2,629,558	44	\$ 355204.91	46

V. OPERATIONAL & PROCESS IMPROVEMENT INITIATIVE STATUS

- A. NGRO Surveillance Technicians are in the process or have completed upgrading software from Windows Vista to Windows 7 depending on the casino. The Technicians are revising a Surveillance Equipment Training Manual for employees and new NGRO staff.
- B. The Slot Compliance Department developed the new Game Machine Transfer Policy & Procedures which will allow the Navajo casinos to transfer gaming machines between Navajo casinos resulting in more variety for casino patrons.
- C. Fire drills were held at the Fire Rock Casino on February 29, 2016 and the Northern Edge Casino on March 1, 2016. The management teams have been reviewing the results and will correct any deficiencies. The NGRO management team were Fire Drill Observers while onsite NGRO staff participated in the fire drill.
- D. The Twin Arrows Casino Resort Projects are in the planning process for a Server upgrade, RV area and continue adding and relocating various surveillance

cameras, development of a standard number scheme to coincide with other Navajo casinos. This 1st quarter, the Surveillance Department has implemented the Surveillance Technician Meetings and Senior Supervisors Meetings, which plan to meet monthly to keep up with upcoming projects, issues and problem solving within the department to improve on daily workflow to be more efficient throughout all Navajo casino Surveillance Departments and maintain compliance with Laws and regulations. ****END REPORT****