

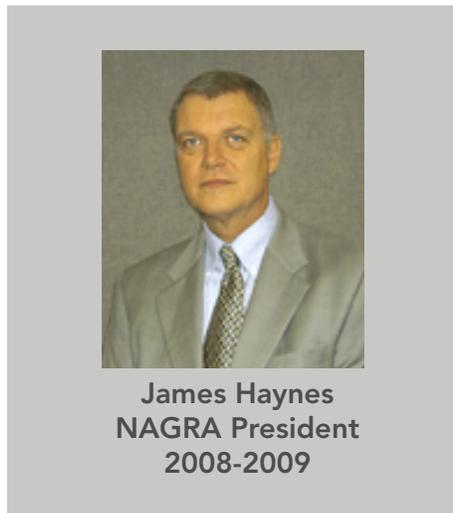
NAGRA NEWS

FALL 2008

A Message From the President

With its elegant National Mall, stately buildings, and historic monuments, it is hard to believe that the land on which Washington, DC, now stands was once a marshy swamp. George Washington created this special district as a federal power hub to avoid the problem of establishing the capital city in any one state. Originally designed by the French architect Pierre L'Enfant in 1791, Washington today is a city of green parks, wide tree-lined streets and, amazingly, very few skyscrapers, all of which give it a European flair. And now, this political center stage, capital of one of the most powerful nations in the world, is the place to be on June 2-5, 2009 for NAGRA's 25th Anniversary Conference. It promises to be a monumental networking opportunity that will allow you to capitalize on 25 years of NAGRA experience.

Our host hotel will be the elegant L'Enfant Plaza Hotel, named after the aforementioned architect of



DC itself. Just steps from the National Mall, Smithsonian Museums, and the many monuments, this downtown Washington DC hotel is central to a vast array of nearby restaurants, shops, and historic sites. Or you can explore other areas of the city by the Metro Subway line, which has a station directly below the hotel!

The most important part of any annual meeting is education. Conference planning is underway and we are dedicated to bringing you an electrifying program filled with impressive keynote speakers, stimulating general sessions and engaging breakouts all designed

to exceed your expectations and facilitate learning through interaction. It will truly be a monumental experience. You are invited to come to DC and be part of this great event. Mark your calendars now and begin making your plans, so you don't miss out on an opportunity to learn from regulatory professionals in our industry. I look forward to seeing you in Washington, DC!

Jim Haynes

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Mark Your Calendar!



Save the Date for

NAGRA's 25th Annual Conference

June 2-5, 2009

in Washington, DC

**For hotel information,
go to www.lenfantplazahotel.com.**

Hotel room rates and conference registration details will be available in December, 2008. Watch for details!

Washington, DC, Tourist Information,

Washington, DC Convention and Tourism Corporation

901 7th Street NW, Suite 4001 Tel: (202) 789 7000.

Website: www.washington.org

Washington, DC, Chamber of Commerce Visitor Information Center

Ronald Reagan Building and International Trade Center

1300 Pennsylvania Avenue, NW Tel: (866) 324 7386.

Website: www.dcvisit.com

Hours: Mon-Fri 9 a.m. to 4:30 p.m., Sat 9 a.m. to 4 p.m.

Another useful website is www.dc.gov. Visitors may also see SAMs (safety and maintenance personnel), who are specially trained hospitality workers dressed in red uniforms. They operate throughout the Downtown area to provide a service to visitors by giving directions and helping to find area attractions, restaurants, hotels and shops. ■

FALL 2008

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First-Ever Training Academy for Arizona Tribal Gaming Agents

Officials from state, tribal, and federal agencies in Arizona hosted the inaugural training academy for new tribal gaming agents in September 2008 at the Mazatzal Hotel and Casino in Payson, Ariz. The first of its kind in the United States, the Arizona Tribal Gaming Regulators Alliance Training Academy provides new tribal gaming agents and regulators a better understanding of casino operations and the multiple expectations of their job.

The instruction and curriculum were coordinated by the Arizona Tribal Gaming Regulators Alliance, the Arizona Department of Gaming and the U.S. Attorney's Office for Arizona. Organizers believe it's the first time that federal, state, and tribal officials jointly sponsored a training academy for tribal gaming regulators. Forty-five gaming agents and representatives from 13 tribal gaming offices across Arizona attended the weeklong training, Sept. 8-12, at the Tonto Apache tribe's Mazatzal Hotel and Casino.

Arizona is the only federal district in the U.S. with a dedicated Assistant U.S. Attorney who prosecutes casino related crimes and who also works closely with state and tribal gaming regulators to provide unique and useful training opportunities. Organizers hope to provide this type of training every six months for new tribal gaming agents.

"This innovative Arizona training model—which involves a partnership and sharing of expertise between tribal, state and federal authorities—is

unique to Arizona," said Paul A. Bullis, Director of the Arizona Department of Gaming.

"The Arizona Tribal Gaming Regulators Alliance (ATGRA) Training Academy held at Tonto Apache in Payson was designed to provide tribal gaming regulators basic gaming regulatory skills to inspect, audit and investigate gaming activities on the casino floor," said Courtney Moyah, president of ATGRA. "These regulatory skills will enhance the protection of tribal assets, preserve the integrity of gaming services to the public, and ensure that unsuitable persons are kept out of the gaming activities. The Training Academy will also provide tribal regulators a broad background and perspective of the history of Indian gaming law and related gaming regulations at the federal and state level."

"ATGRA gives recognition and appreciation to our Arizona tribal leaders and the Arizona Indian Gaming Association in their endeavor to improve and standardize the management of gaming regulation," added Moyah. "ATGRA also recognizes the professional training services offered by our member Tribes, the U.S. Attorney's Office, the National Indian Gaming Commission, and the Arizona Department of Gaming."

"This academy is designed to provide agents with the tools they'll need to protect the integrity of a \$2 billion a year industry," stated U.S. Attorney Diane J. Humetewa. "We hope the cooperative approach we've implemented with tribal and state

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Secure Free Passes to the Global Gaming EXPO

Uncover Video King's Latest Intel at the Show!

Your Mission – Should You Choose to Accept ...

What: Be the first to gather Intel on the latest developments on state-of-the-art bingo hall equipment and electronic gaming systems, manufactured by Video King and their affiliated business partners.

How: As a qualified agent, you have been selected to proceed directly to your nearest Internet connector. Under civilian guise, you will be instructed to obtain authorized entry by registering for complimentary passes to view exhibits at the Global Gaming Expo, Nov. 18-20, at the Las Vegas Convention Center, courtesy of Video King, Booth 3640.

Access Code: Click on the following link to obtain your free pass (a \$125 value) by Oct. 31:
[http://www.reedexpoinvitations.com/081117/orders/uploads/VideoKing.logo\(PHPW7CLkn\).html](http://www.reedexpoinvitations.com/081117/orders/uploads/VideoKing.logo(PHPW7CLkn).html)

To obtain show access, click on the "Pass to Register" link, and follow the prompts for standard registration. Upon completion, a badge with bar code will be e-mailed to the address you provide. (Remember: You must bring a print-out copy of the pass to gain entry to the EXPO.)

To learn more about the EXPO, click on the link to our website, listed below:

http://www.videokingnetwork.com/page.asp?file=4_57

To download our Mission Possible press release with new product information, click on the link below:

<http://www.videokingnetwork.com/download.asp?file=215> ■

>> *Training Academy, continued from page 3*

gaming regulators and our office can serve as a model for other jurisdictions."

The Academy curriculum included: Introduction to Gaming; the Arizona Gaming Compact; Indian Gaming Regulatory Act; Tribal Sovereignty; Problem Gambling; Self-Exclusion Program; Gaming Law (prosecution, criminal, arrest, and detention); Introduction to Casino Operations; Licensing

Process; Auditing, Inspection and Compliance; Ethics; Professionalism; Code of Conduct; Sexual Harassment; Cheats and Scams; Investigations and Interviewing; Report Writing; Introduction to Table Games; Slot Operations; Surveillance; and Minimum Internal Control Standards. ■

Eclipse Compliance Testing Receives 2008 Best of Cleveland Award

Eclipse Compliance Testing has been selected for the 2008 Best of Cleveland Award in the Laboratories category by the U.S. Local Business Association (USLBA).

The USLBA "Best of Local Business" Award Program recognizes outstanding local businesses throughout the country. Each year, the USLBA identifies companies that they believe have achieved exceptional marketing success in their local community and business category. These are local companies that enhance the positive image of small business through service to their customers and community.

Various sources of information were gathered and analyzed to choose the winners in each category. The 2008 USLBA Award Program focused on quality,

not quantity. Winners are determined based on the information gathered both internally by the USLBA and data provided by third parties.

About U.S. Local Business Association (USLBA)
U.S. Local Business Association (USLBA) is a Washington, DC, based organization funded by local businesses operating in towns, large and small, across America. The purpose of USLBA is to promote local business through public relations, marketing and advertising.

The USLBA was established to recognize the best of local businesses in their communities. The organization works exclusively with local business owners, trade groups, professional associations, chambers of

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International Due Diligence Investigations

By Ian Manning, Vice President Global Investigations, Spectrum Gaming Group

The purpose of this paper is to examine the difficulties gaming regulatory jurisdictions may face in conducting due diligence investigations in determining the suitability of international participants/applicants, both individuals and corporate. With international opportunities for US licensed gaming companies expanding from South America to Europe and from Asia to Africa, it is likely that regulators will be confronting international investigations to determine suitability of business partners, complex financial arrangements and non-banking financial sources.

Regulators will be involved in conducting international investigations involving licensed entities, joint venture partners, beneficial owners, financiers and operators. International investigations can be much more complex than conducting suitability investigations in the United States. Legal systems, transparency of financial transactions and business practices vary from jurisdiction to jurisdiction and can present major issues during the investigative process. Jurisdictions will need to determine the level of due diligence that should be undertaken in this regard. Should jurisdictions rely on investiga-

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commerce and other business advertising and marketing groups. USLBA's mission is to be an advocate for small and medium size businesses and business entrepreneurs across America.

Company Profile:

Eclipse Compliance Testing is a full service regulatory compliance test laboratory and electronic gaming

device consulting organization. It serves the regulated gaming, amusement and vending industries. Management has been testing electronic gaming equipment for all regulated gaming jurisdictions since 1987 and has the expertise and knowledge to provide the gaming, amusement and vending industries with world-class testing and consulting services. ■

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tions already conducted by international regulators or even by New Jersey or Nevada regulators, or independently conduct suitability investigations? We start out with the very basic proposition that casino licensees operating casinos in the United States are not permitted to partner or engage in business with organized criminal or other unsuitable companies or individuals in the United States. Therefore when they engage in business outside of the United States or operate casinos outside the United States, licensees should not engage in business with organized crime or other unsuitable companies or individuals. It is a fact that organized criminal influences exist in the gaming industry outside of Western Europe, the United States, Canada and Australia. The presence of the Mafia and Costa Nostra, Yakusa and Triads in the gaming industry is still pervasive in many jurisdictions that do not adequately regulate gaming.

What alternatives are available to an American regulator under these circumstances? It would be difficult to prohibit American companies from doing business internationally. We suggest a two-tiered approach. Initially casino licensees should undertake meaningful due diligence of

their potential partners and financial arrangements internationally and provide regulators with those reports. Subsequently, regulators should use those reports as their starting point and conduct independent investigations to the extent necessary in order to establish suitability. As the investigation proceeds, it may become necessary for additional persons or entities to file appropriate application forms. This call forward methodology for licensing purposes should be one option in order to determine the suitability of joint venture or business partners internationally. Once called forward after a preliminary review, Business Entity Disclosure Forms (BEDs) should be filed for these companies. Qualifiers of these companies (including major stockholders, senior executives and members of the Board) should be required to submit Personal History Disclosure Forms (PHDFs) and release authorizations.

Release authorizations enable investigators to access information from a variety of third party sources such as financial institutions, courts, employers, educational institutions and governmental agencies, both foreign and domestic. This infor-

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mation enables regulators to compare information disclosed by the applicant on his/her PHDF, or in some cases acquire information not disclosed by the applicant, and form an opinion as to whether that person or entity is suitable to be involved in the gaming industry. While release authorizations may not be honored in every country internationally, the applicant can be requested to gather their own information and provide them to regulators for review as an alternative. Failure to provide this information might constitute a failure to cooperate and become an independent basis to determine suitability.

Gaming regulatory jurisdictions generally define suitability in the case of individuals as a person of good character and integrity whose previous behavior, habits or reputation is not contrary to the public interest or does not pose a threat to the proper and effective regulation of gaming activities. The suitability criterion is normally embodied in legislation or regulations and applicants should have an understanding of the standards required to qualify for licensure or approval to participate in the gaming industry.

For an entity, each jurisdiction will typically consider whether the applicant entity has sufficient business probity, competence and experience in the business of gaming activity, its financial stability and financial integrity, and the suitability of the beneficial owners, directors and other persons having charge of the entity, in terms of the suitability criteria for individuals referred to above.

Although international investigations are difficult, they need to be properly conducted in order to determine suitability of entities and individuals.

These investigations require the co-operation of the international law enforcement, international regulatory agencies and other governmental agencies. In some countries such as Japan, the privacy laws are so strict that it's almost impossible to access meaningful information even with the authority and co-operation of the applicant. Regulatory jurisdictions will often send investigators to foreign countries at enormous expense. In these instances they rely heavily on the information already possessed by the international regulatory agency or law enforcement agency where the applicant may be known or previously licensed. The investigator should consider whether the level of scrutiny by the international agency would meet the standards of scrutiny expected by the domestic agency. In many instances regulators do not conduct independent investigations and scrutiny is not up to standards required by most Western gaming regulators. Investigations in foreign countries that have minimal or no gaming regulatory controls are even more difficult. We have a problem here! It will be up to the gaming regulators to conduct meaningful due diligence so that informed decisions can be made. Otherwise, the high standards relating to integrity that have become the standard of North American regulators might be in jeopardy.

Spectrum Gaming Group is an international gaming consultancy specializing in gaming regulatory services and international gaming investigations. For more information on international or domestic due diligence investigations please contact Ian Manning, Spectrum VP, Global Due Diligence Investigations on 609 926 5100 or ianmanning@spectrumgaming.com. Please access the Spectrum website at www.spectrumgaming.com. ■