



insight



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MESSAGE FROM CHAIRMAN DAVID L. NORVELL

The Span of A Decade: Happy 10th Birthday NMGCB

I marvel, in looking back, at the incredible collection of work that has risen from virtual ground zero soon after the legislative enactment of House Bill 399, which was codified as Laws 1997, Chapter 190. The Act gave birth to and launched what came to be known as, the New Mexico Gaming Control Board. The Board officially became operational on June 15, 1998.

I join all current Board members and staff in taking the opportunity of this ten year anniversary to pay tribute to those visionaries who came before us and to commend them for the breadth of their vision, their farsightedness, their tenacity and their clarity of purpose.

I speak, of course, of Janice McCrary, the Board's first Chair, and her colleagues Brett Woods, Grant Lacerte, Jr., Eddie Fowler and Bruce Wiggins, and their creative team of staff members, including General Counsel Madonna Bixby. Without their dedication, gaming in New Mexico would certainly not have reached its present stratospheric level. These individuals, along with two subsequent Board chairs, Jack Harkleroad and Carla Lopez Martinez and their colleagues, have paved the road which my colleagues, Don Dutton, Demesia Padilla, Arnold Rael and Jim Peterson and I are privileged to travel. For that we, our staff and the gaming industry are eternally grateful.

Most folks are unaware of the magnitude of the statutory provisions, Board rules, regulations, policy statements and internal controls that have evolved over the past ten years. Most of this body of work directly affects our licensees and much of it is complicated and subject to differing interpretations. Consequently, it has not always been an uncomplicated journey for the racetrack casinos, nonprofits and fraternal we regulate, or for the Tribal gaming venues we monitor to meet the Board's goals and expectations.

Before I began to write this message I had started reading the memoir of my friend, Fred Harris, a distinguished former state Senator and

United States Senator from Oklahoma, a candidate for the Democratic nomination for President of the United States, a Chairman of the Democratic National Committee, a Professor of political science at the University of New Mexico, and the author of more than 20 books.

In writing this message, I found myself influenced by the latest of my friend's books---a memoir released on April 15th of this year entitled "Does People Do It?" You probably know about the career of Fred Harris. Fred grew up in Walters, Oklahoma, during the dust bowl and the terrible depression of the 1930's. His family, like most, was financially challenged during his early childhood. Fred had a number of uncles, and one was nicknamed Hammer who was frequently short of funds but anxious to find work. Now, quoting from the prologue of Fred's book:

"One morning, he (Hammer) made his way to a nearby jobsite where a dam was being built. He presented himself to the straw boss who he'd heard was looking for an additional man to run a Fresno, a big one-man dirt moving scoop pulled by a team of horses, sort of the bulldozer of those days.

The straw boss sized up Hammer's skinny frame with a clearly skeptical eye, then told him, 'son, you work for me, you gonna have to move such and such cubic yards of dirt a day, whatta you say to that?'

Hammer's response: 'Does people do it? If people does it, I can do it'. He got the job. And he did the work, too."

I can only imagine that in 1998 when Governor Gary Johnson appointed Chairwoman McCrary and the other two full-time Board members to the initial Gaming Control Board, they must have looked in bewilderment at the enormity of the task ahead and asked themselves, "Does People Do it? If People Does It, we can do it."

And, like Hammer, do it they did.

On June 15, 1998, the three full-time Board members quickly settled into working out of their cars or homes for the first six weeks of start-up. The Board obtained offices by the first of August and hired its first employee, Madonna Bixby.

Regulation writing became the first order of business since, without rules, licenses could not be issued. While they wrote, the search for an executive director was instituted, the request for proposals for the central monitoring system was issued, and staff was hired. The majority of operational regulations went into effect on December 15, 1998 at which time potential licensees received applications.

By the week of February 8, 1999, the central monitoring system had been installed and tested and the first racetrack operator licensee went live on February 22, 1999 at Sunland Park. The staff was working on processing the first fraternal applications and bringing their recommendations to the Board. The following were the first nonprofit applicants to receive licenses in New Mexico: VFW #328 in Clovis; Loyal Order of Moose, Albuquerque Lodge #1517; Fraternal Order of Eagles, Clovis Lodge #3245; BPO Elks Lodge #1897 in Alamogordo; Fraternal Order of Eagles #4308 in Arrey, and VFW #10124 in Las Cruces.

As an aside, it is amazing to note that we are fortunate to have nine of the original employees hired in 1998 among our present staff of approximately 65 employees and who were hired during the start up. Those staffers who have been here 10 years and remain faithful to their calling, together with their initial and present positions are as follows:



From left to right: Andy Rodriguez, Barbara Palmier, Clyde Romero, Nadine Quintana, Denise Leyba, Loretta Chavez, Emelina Bryant, and Donvoan Lieurance. (Greg Saunders not pictured)

11-28-98	Nadine J. Quintana	Financial Specialist for the Administrative Services Division	Senior Gaming Auditor for Racetracks
12-12-98	Andy Rodriguez	Clerk Specialist Supervisor for the Licensing Division	IS Operations Analyst

Using a fishing metaphor, we call these folks keepers. They are the source of our institutional knowledge which is the bedrock of our ability to continue moving forward while never forgetting what brought us to this point.

The racetrack casinos began opening soon after the central monitoring system was up and running. The order and date of the opening of each was:

- Sunland Park, February 22, 1999;
- Billy the Kid in Ruidoso, May 4, 1999;
- Sun Ray Park in Farmington, July 4, 1999;
- The Down at Albuquerque, August 27, 1999; and
- Black Gold Casino at Zia Park in Hobbs, November 14, 2004.

The first four casinos opened with 300 licensed gaming machines, but, before Black Gold Casino opened, the legislature had amended the Gaming Control Act to allow up to 600 gaming machines. Thus, Black Gold Casino opened with 600 machines. The same amendments provided that operators could allocate some of their machine allotment to other licensed operators; however, no casino could operate more than 750 machines.

The amendments to the Tribal Gaming Compacts of 2007 also mirror this language. These amendments also provided for the Tribes to pay, incrementally, an increased tax rate on the net take from gaming machines. In return for these increases, the state agreed that only one additional racetrack and casino could be licensed, at least until after 2037.

The only other racing/casino issues presently in the offing are the selection of the additional racetrack and the potential move of The Downs at Albuquerque to Moriarty. There are three applications at the New Mexico Racing Commission competing for the last racetrack, and there is talk a fourth may be coming, as well. The move of The Downs to Moriarty seems ripe for resolution, although it is not without its detractors.

Hire Date	Staff Member	Original Position	Current Position
9-5-98	Greg J. Saunders	Chief Information Officer (CIO)/Director of Information Systems	Deputy Executive Director/CIO/PIO
9-14-98	Loretta M. Chavez	Executive Secretary	Public Relations Coordinator
10-5-98	Emelina M. Bryant	Administrative Secretary for the Tribal Gaming Representative	Budget Administrator for the Administrative Services Division
10-13-98	Donovan M. Lieurance	IS Tech Master III	IS Technical Manager
10-26-98	Denise M. Leyba	Administrative Secretary for the Investigative Services Division	Paralegal for the Legal Division
10-31-98	Barbara Palmier	Administrative Secretary for the Audit Division	Administrator for the Administrative Services Division
11-19-98	Clyde L. Romero	Financial Auditor	Audit Manager for Racetracks

One might get the idea that the Board does little other than regulate racetrack casinos. Nothing could be further from the truth. In fact, the fraternal and bingo licenses we issue and regulate far outnumber the five gaming licensees at racetracks.

Even before 1997, the nonprofit fraternal and veteran organizations engaged in some forms of unregulated gaming. With the advent of the Gaming Control Act these organizations were required to comport with stringent licensing and compliance requirements established by the Board. This required a significant amount of oversight and training for the staff of these organizations that are, for the most part, volunteers. We have developed a good working relationship with these clubs, and their charitable donations are significant.

The New Mexico Gaming Control Board licenses about 58 fraternal organizations, each of which can operate up to 15 licensed gaming machines. Combined, the clubs are operating 602 machines at this time. These machines must also be connected to the central monitoring system at the Board's headquarters. A map of New Mexico fraternal venues is on the next page.

The Bingo and Raffle Act, enacted in 1981, was initially regulated by

the Regulation and Licensing Department. In 2005, the legislature delegated this authority to the Gaming Control Board. But, as often occurs, this task turned out to be an unfunded mandate. We inherited a monstrous job without an appropriation to execute the mission. Nevertheless, through the incredible efforts of two very talented young women who rose to the challenge, the Bingo industry appears to be under control. There are additional tweaks in the works that will further streamline the regulatory process and reduce the workload of our licensees, as well. Back when Regulation and Licensing oversaw Bingo, there were nearly 500 licensees. Now there are only 86. The most likely explanation for this dramatic decrease can be traced directly to the higher level of oversight exercised by the Board over these operations. No doubt, many of the licensees decided they were ill-equipped to deal with the added scrutiny.

New Mexico requires each gaming machine to be licensed and connected to a central monitoring system that monitors every event taking place on each machine, including, but not limited to, a full accounting of all monies played, machine security, hours of operation, jackpots, door openings and any number of errors that could occur. The system turns the machine on in the morning and turns it off at night, on a predetermined schedule, to comport with statutory limits on the number of hours a licensee can operate each week.

The initial system in 1999 was called Advanced Gaming Systems (AGS) provided by Video Lottery Consultants, Inc., and became operational when Nuevo Sol Casino opened at Sunland Park. This system eventually became problematic because of some proprietary issues that limited the number of slot manufacturers who could sell into the nontribal market in New Mexico. Our licensees needed a broader base of manufacturers from which they could purchase more game types and themes. The Board is in the process of implementing a new system which will alleviate this concern, and, by year's end, all gaming machines licensed by the Board should be migrated to the Advanced Entertainment & Gaming Information System (AEIGS) provided by Scientific Games.

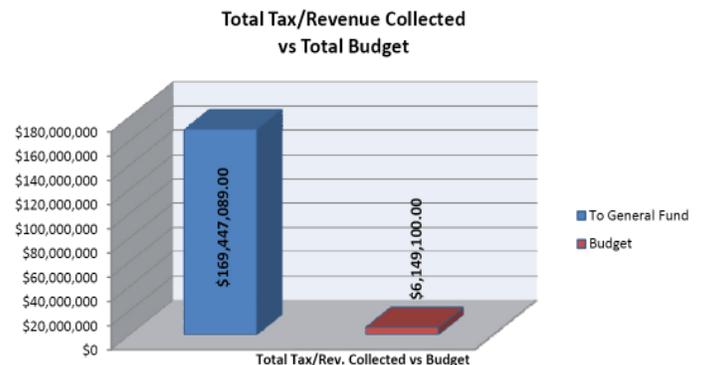
We have all probably heard the old adage, "If it sounds too good to be true, it probably is." Some suggest that this saying applies to gaming, particularly with respect to compulsive or problem gamblers. The argument, it goes something like this: even though significant revenue is generated by gaming, applying a cost/benefit analysis, the economic harm to society is costlier than the benefits provided by the tax revenues. Unquestionably, we need to have a healthy debate about how to address the problem of compulsive gambling. Although I do not offer a solution here, our Board member, Don Dutton, sits on the New Mexico Compulsive Gaming Council. That Council will propose a self-exclusion program to the 2009 session of

the legislature. I am certain that our Board will support this measure, and I am also hopeful it will provide a meaningful piece of the puzzle as we seek to find medical and psychological cures to this devastating addiction. Other organizations are likewise working diligently to seek out solutions but the problem persists and much more remains to be done.

Most agree that legalized gaming was introduced to New Mexico as a revenue generating mechanism and passed by the legislature over the organized and vocal objection of gaming foes. This was never more apparent than when the first Tribal Gaming Compact was brought to the floor of the House of Representatives in the 1997 session and was defeated by a single vote, only to be revived the following day on a Motion for Reconsideration and passed by a single vote. There remains

a serious policy divide on gaming issues in New Mexico, but if the overriding reason for bringing gaming to the state was to generate tax revenue, it has been a signal success.

Some may ask what the regulatory cost is for generating such massive tax revenue — good question. Our general fund appropriation for fiscal '07 was \$6,149,100.00, and this is the sole source for our funding. Utilizing the cost/benefit analysis the ratio for our agency was, and generally is, .036% or, the Gaming Control Board generates \$27.55 for every \$1.00 spent. Few, if any, regulatory agencies operate on such a small margin. See the following chart:



In closing, let me, on behalf of the entire Board; express our sincere thanks to our respective staff for their dedication to our common purpose of upholding the integrity of gaming regulations at all licensed gaming facilities in New Mexico. It is always a pleasant experience to work with each of you. As we move on, we will find new challenges each day as we continue to regulate this exciting industry. It is an under-statement to acknowledge that your job is extraordinarily difficult, as you work in a pressure-packed environment, where every mistake is magnified and every success is expected. I am, nevertheless, confident you are superbly up to the task. Happy 10th Birthday to all, and to all a good day.

Our Future Complements Our Past

By: Loretta Chavez, Public Relations Coordinator

I have been with the Gaming Control Board since its inception and as we approach our tenth anniversary, I thought it would be appropriate to compile a commemorative piece identifying those individuals that have led this agency during the past decade. The Board Members and Executive Directors that have served in leadership positions have done so through a process of appointments that statutorily must change due to term-expiry and change in administration for acquiring and replacing leaders. I have had the pleasure of working with some of the most extraordinary people that have held those positions ... people whose vision and commitment continue to map the road to the future in regulating gaming.

*"The only way you survive your success is to pass along your values to the next generation."
- Dr. Denis Waitley*

Members appointed to the Board:

- 1998-2003 **Chair Janice McCrary, CPA** (then)
CEO, Alb. Metropolitan Board of Realtors (now)
- 1998-2003 **Board Member Brett F. Woods** (then)
Analyst, Legislative Finance Committee (now)
- 1998-1999 **Board Member Grant Lacerte, Jr., Esq. (then)**
Vice President and General Counsel, Kissimmee Utility Authority, Florida (now)
- 1998-1999 **Ex-Officio Board Member Thomas E. "Eddie" Fowler**, Chairman of the NM Racing Commission (then)
Vice Chairman, NM Racing Commission (now)
- 1998-1998 **Ex Officio Board Member Bruce Wiggins, Esq.**, Chairman of the NM Lottery Authority (then)
Wiggins, Williams & Wiggins, P.C. (now)
- 1998-1998 **Ex Officio Board Member Bert Atkins, Esq.**, Acting Chairman of the NM Lottery Authority (then)
Attorney, Alamogordo
- 1998-2001 **Ex Officio Board Member Peggy O. Roberts, CPA**, Chair of the NM Lottery Authority (then)
Finance Director, Albuquerque Community Foundation (now)
- 1999-2003 **Board Member Nelson B. Spear, Esq. (then)**
Spear Brothers Group (oil and gas business), Midland, TX (now)
- 1999-2001 **Ex Officio Board Member Billy R. Blackburn, Esq.**, Chairman of the NM Racing Commission (then)
Billy R. Blackburn Law Office, Albuquerque (now)
- 2001-2002 **Ex Officio Board Member Greg Drake**, Chairman of the NM Racing Commission (then)
Drake Well Service (The Angelina Group), Farmington, (now)
- 2002-2004 **The Late Ex Officio Board Member Jack A. Cole** (7-27-07) Chairman of the NM Racing Commission
- 2002-2002 **Ex Officio Board Member Claydean Claiborne**, Chair of the NM Lottery Authority (fulfilled a 10-term as Mayor of Jal) (then)
"The Lois Lane" of the Record (Jal local newspaper) and she's lovin' it. (now)
- 2002 Senate Bill 210 eliminated the ex officio NM Lottery Authority Chair from serving on the Board. Senate Bill 210 calls for one appointed member of the Board to be a public member who has knowledge and experience in business management and financing.

2003-2004

2003-2007

2003-2008

2003-2007

2004-2006

2005-2005

2005-2006

2006-2006

2006-2008

2007-2008

2007-2008

2007-2008

Executive Directors:

1998-2001

2001-2001

2001-2003

2003-2005

2005-2005

2005-2006

2006-2008

The Late Chairman Jack Harkleroad (4-14-04)

Board Member and (2004) Chair Carla Lopez Martinez, Esq., CPA (then)

Deputy State Auditor (now)

Board Member Don Dutton, Esq. (current)

Public Member Carolyn Monroe (then)

LandAmerica Financial Group, Inc., Houston (now)

Board Member Tony Knott (then)

Self-employed security company owner, Hobbs (now)

Ex Officio Board Member David A. "Hossie" Sanchez, Chairman of the NM Racing Commission (then)

NM Racing Commission Board Member (now)

Ex Officio Board Member David L. Norvell, Esq., Chairman of the NM Racing Commission (then)

Ex Officio Board Member Thomas E. "Eddie" Fowler, Chairman of the NM Racing Commission (then)

Vice Chairman, NM Racing Commission (now)

Chairman David L. Norvell, Esq. (current)

Ex Officio Board Member Arnold Rael, Chairman of the NM Racing Commission (current)

Board Member Demesia Padilla, CPA (current)

Public Member James Peterson (current)

Janet Jessup, Executive Director (then)

Program Manager for Northrop Grumman Information Technology, Scottsdale, AZ (now)

George McGeorge, Acting Executive Director (then)

Deputy Director of Finance, General Services Department (now)

Madonna N. Bixby, Executive Director (then)

Corporate Counsel, Public Service Company of NM (now)

Brett F. Woods, PhD., Executive Director (then)

Analyst, Legislative Finance Committee (now)

Greg J. Saunders, Acting Executive Director (then)

NMGCN Deputy Executive Director/CIO/PIO (now)

India Hatch, Interim Executive Director (then)

Executive Director of the NM Film Museum (now)

John Monforte, Executive Director (current)

It Seems Like, Just Yesterday...

By: William S. Previtti, Past President VFNP

(Bill was president of the VFNP for 13 of their first 16 yrs)



Ten years ago I planted a little rose bush in a wee space between two mature ones, older, very mature roses. Friends and neighbors thought it a risky place to put the little fella, "The big roses will keep the little thing from getting any sun. It's just gonna be hard for it to grow," they said. That was ten years ago. Today, that rose bush is healthy to the point of sassiness. It's the first one to bloom in the spring and the last one to settle in for a long winter's nap. It came to

mind—that rose plant of mine, and our Gaming Control Board both having a tenth anniversary this year. . . a lot of folks had doubts about the survival of each including me. I was there when both were born, remember both events vividly: the rose bush was delivered in my back yard. The New Mexico Gaming Control Board came to life on the fourth floor of the Capitol Building in Santa Fe. The presiding physician was Gary Johnson, Governor of New Mexico. Now, I'm not talking about the birth of gambling in the state—legal, illegal, gray, or whatever—we all know Johnson signed legislation making gambling legal previous to the 4th floor debut of the gaming board.

What me, and a dozen or so gaming-guerillas from veterans and fraternal clubs around the state, were doing there was to look at, to stare at, people. Strange looking people. We were afraid these people, babies, really, in the odd world of gambling that we knew so well, were on the brink of changing the lives of all of us who called our clubs second homes. After all, we, the vets and fraternal, had slots in our clubs almost a quarter of century before that fourth floor conclave came to pass. We knew more about gaming than anyone in the room. We also knew the days of keeping our books and receipts and cash in cigar boxes, shoe boxes, whatever was over. We were being dragged into the 21st century, screaming and kicking. Our association, The Veterans, Fraternal & Non-Profit Clubs of New Mexico, is ten years older than the New Mexico Gaming Control Board. Our goal was to get our game rooms legal—

we fought for the stamp of approval during every legislative session.

Four times our bills made it to the fourth floor, only to be ignored or rejected by whoever was occupying the governor's chair. So, when Governor Johnson signed the birth certificate, we were jubilant, Mardi Gras, let the good times roll, we were home free. Not so fast. Gambling, they say, is a game; in every game you have rules, you have regulations. If you want to play the game, you have to follow the rules. At first, this bothered us, we resented being roped in, corralled. No more cigar boxes, no more winging it. We were to be organized, to be structured, and said the governor to our rag-tag clot of humanity, you will be better off in the sunshine, rather than in the shadows---where we'd been for close to a quarter century. Looking back now, with perfect 20-20 vision of hindsight, he was right: It is better out here in the sunlight of legal, professional, compassionate oversight. We have the Gaming Control Board to thank for that. We thank the Gaming Control Board for making us better at managing, not only our game rooms, but our clubs as well. We thank the Gaming Control Board for helping us get the word out on the charitable work our clubs accomplish. And, in closing, we'd like the Gaming Control Board to thank us for getting them all their jobs.....isn't this a great country.

Happy 10th birthday from the VFNP to the New Mexico Gaming Control Board.

A Decade's Review of Indian Gaming in New Mexico

By: Georgene Louis, State Gaming Representative

Indian gaming has had its roots in New Mexico since the early 1980s when the Pueblos of Acoma and Sandia began bingo operations that proved economically beneficial to the tribes, as well as to tribal and non-tribal employees. Soon thereafter, the Pueblos of Santa Ana and Tesuque opened bingo halls producing the same success.

Class III Gaming. Following the days of tribal bingo and the enactment of the Indian Gaming Regulatory Act in 1988, Class III gaming has been a hot issue in New Mexico. Class III Gaming includes all forms of gaming that are not Class I (social games with minimal value or games played in relation to Tribal ceremonies or celebrations) or Class II (games of chance commonly known as bingo). Although tension existed between the State of New Mexico (State) and the tribes throughout the 1990s and the early 2000s, negotiations were made between the parties to establish Class III gaming compacts in 2001.

In 2007, the State and the Tribes negotiated amendments to the 2001 Compacts. At this time, there are 13 gaming tribes operating gaming facilities under the two Tribal-State Class III Gaming Compacts (Compacts.) The Compacts are regulated by the tribes' respective gaming commissions. Nonetheless, the State does have an interest and role in monitoring compliance of the Compacts.

Here's a look at how Indian gaming has impacted New Mexico since the inception of Class III gaming.

Revenue Generated. From 2002-2007, over \$262 million has been paid to the Sate in the form of revenue sharing payments. Those figures are based off a tribe's Net Win of slot gaming machines, which equals more than \$3.2 billion for those same years. From tribal revenues, the tribes have invested in tribal facilities, programs, and services, including non-gaming business ventures. The State uses that money to provide infrastructure, programs and services that benefit all New Mexico residents. Indian gaming has increased and sustained employment throughout the state and has produced jobs both directly and indirectly for over a decade.

Additional Payments. The Compacts also require the tribes to pay quarterly regulatory fees to the State for the costs of carrying out functions authorized by the Compact. From 2002 to 2007, gaming tribes have paid over \$3.5 million dollars to the State's general fund.



Compulsive Gambling. Between 2004 and 2007, the gaming tribes spent approximately \$5.7 million on compulsive gambling awareness, prevention and treatment. Eleven of the 13 gaming tribes belong to the Responsible Gaming Association of New Mexico, an organization that provides services and programs to address problem gambling in New Mexico.

Looking Forward. Indian gaming will continue to generate revenue for the tribes, the State, and Indian and non-Indian people alike. Thirteen tribes in New Mexico are currently conducting Class III gaming activity within 22 facilities. Those tribes include the Pueblos of Acoma, Isleta, Pojoaque, Sandia, San Felipe, Santa Ana, Santa Clara, Taos, Tesuque and Ohkay Owingeh, as well as the Jicarilla and Mescalero Apache Nations. The Navajo Nation has plans to join Class III gaming in the very near future. In addition, the Pueblo of Pojoaque is near the completion of a huge expansion that will employ additional New Mexico residents and produce more revenue sharing monies to the State.

Personal Note. Indian gaming in New Mexico has personally affected this State Gaming Representative's life. During the four years of my undergraduate education, I worked at Sky City Casino as a receptionist. That job paid for the car that I drove from Acoma to Albuquerque to attend classes at UNM. After graduation, I worked for the Acoma Business Enterprises in a couple of capacities. This experience fueled my desire to go to law school. Following law school and the bar exam, I served on the Acoma Business Board, which provides oversight to all Pueblo of Acoma business, including Sky City Casino. Without those experiences, I highly doubt that I would be in the position that I am today. Like many individuals, I am personally thankful for Indian gaming in New Mexico.



Below is a contact list for all the tribal gaming regulatory authorities:

Tribal Gaming Agency	Executive Director	Address	Phone Number
Pueblo of Acoma Gaming Commission	Carleen Chino	P.O. Box 454 Acoma, NM 87034	505.552.7411
Pueblo of Isleta Gaming Regulatory Agency	Eddie S. Gomez	P.O. Box 700 Isleta, NM 87022	505.224.8139
Jicarilla Apache Gaming Regulatory Commission	Melissa Eaton	P.O. Box 740 Dulce, NM 87528	505.759.1151
Pueblo of Laguna Tribal Gaming Regulatory Authority	Robert D. Johnson	P.O. Box 225 Laguna, NM 87026	505.352.8240
Mescalero Apache Tribal Gaming Commission	Albert Apodaca	P.O. Box 329 Mescalero, NM 88340	505.464.7100
Navajo Gaming Regulatory Office	Eddie Lockett	P.O. Box 2040 Window Rock, AZ 86515	928.870.6712
Ohkay Owingeh Gaming Commission	Peter Garcia, Jr.	P.O. Box 1521 San Juan Pueblo, NM 87566	505.753.8101
Pueblo of Pojoaque Gaming Commission	Stuart Zucker	5 West Gutierrez, Ste 4. Santa Fe, NM 87506	505.455.3102
Sandia Tribal Gaming Commission	Harold Monteau	P.O. Box 1869 Bernalillo, NM 87004	505.796.7503
San Felipe Pueblo Gaming Regulatory Commission	Michael T. Sandoval	P.O. Box 1540 Bernalillo, NM 87004	505.867.6100
Pueblo of Santa Ana Gaming Regulatory Commission	Eugene Lujan	51 Jemez Canyon Dam Rd. Bernalillo, NM 87004	505.867.3489
Santa Clara Pueblo Gaming Commission	Adrian Montoya	460-F North Riverside Dr. Espanola, NM 87532	505.747.4306
Taos Pueblo Gaming Commission	Yvonne Trujillo	P.O. Box 2159 El Prado, NM 87529	505.737.9776
Pueblo of Tesuque Gaming Commission	Shawna Samuel	P.O. Box 809 Tesuque, NM 87574	505.984.8414

The Role of the PIO

By: Greg J. Saunders, Deputy Executive Director/PIO



As the Deputy Executive Director and Chief Information Officer for the Board, I also serve as the Board's Public Information Officer (PIO). The PIO is responsible for all matters related to the sharing of information between the Gaming Control Board and the public it serves. The PIO's goal is to maintain open lines of communication with all segments of the community. The PIO reports to the Executive Director and, among other duties, serves as the official department spokesperson responding to inquiries from the media and other sources. The duties of the PIO include but are not limited to the following:

- Providing a liaison to all media outlets;

- Producing with staff, all agency press releases;
- Facilitating any media interviews with agency personnel;
- Coordinating all public records requests with the assistance of the records coordinator and council;
- Facilitates a prompt response to any requests for information from the general public concerning the Gaming Control Act, Board Rules or other areas within the Board's jurisdiction.

Let me be clear, however, that questions often come my way that sound like gaming issues but are not within the jurisdiction of the Gaming Control Board. In those instances, I can do no more than decline to opine on the issue other than to suggest the appropriate contact that may be able to address the question posed.

North American Gaming Regulators Association

By: Don E. Dutton, NMGCB Board Member and President of NAGRA

As many of you know, last June I was elected President of the North American Gaming Regulators Association (NAGRA). But do you know what NAGRA is? In this article I will tell you the story of NAGRA. It started almost twenty five years ago. Next June, NAGRA will celebrate its twenty-fifth anniversary. NAGRA is comprised of federal, state, local, tribal, and provincial government agencies that are responsible primarily for the regulation of gaming activities.

Originally named the National Association of Gambling Regulatory Agencies, the initial focus was charitable gaming in the United States. Typical games include bingo, pull-tabs, lotteries, raffles, and nonprofit Las Vegas or casino nights used by nonprofit organizations for fund raising purposes. In 1989, the organization expanded its scope and included regulators from Canada. At the June 1989 meeting, the present name was adopted. NAGRA has responded to the increased growth in gaming by expanding its scope to include regulatory concerns involving Indian gaming, riverboat gaming, casino, slots and video gaming, pari-mutuel wagering and other forms of legalized gaming. This includes some forms of internet gaming which are legal in Canada.

Today, NAGRA conducts an annual conference and training. The conference brings together agencies that regulate gaming activities and provides them a forum for the mutual exchange of regulatory information and techniques. In addition, the conferences offer many educational tracks by a series of breakout sessions, with programs developed by the Committee Chairs and general sessions developed by the President. The

NAGRA Excellence in Gaming Award is presented at the annual

conference to an outstanding regulator selected by the membership.

NAGRA can be a unified voice to speak on legislative matters. It strives to develop a standard for legislation and rules concerning gaming activities. The standards for pull tabs have been established and can be found on the website: www.nagra.org. In the works are standards for bingo and raffles. NAGRA is currently working on a major project which will be an annual report containing regulatory and enforcement information, procedures, and experiences from all jurisdictions. The report will be a valuable asset to member organizations.

NAGRA has contracted its day-to-day activities with Ewald Consulting, a leading association management, government and public relations firm based in Minneapolis-St. Paul and Chicago. Eric Ewald and Scott Franzmeier team up with other Ewald associates to manage the work load of NAGRA that includes planning its annual conference. Other members of the volunteer NAGRA team are: James Haynes (Nebraska) Vice President; Dale Fuga (Manitoba) Past President; Penny Taylor Moore (Arizona) Secretary; Leah Cooper Boggs (Kentucky) Treasurer. The Board of Directors include: Rick Saville (British Columbia) Canadian Regional Director; Terri Hutchison (Missouri) Midwestern Regional Director; Terri Sue Canale (California) Western U.S. Regional Director and Judge Mary Digiacommo Colins (Pennsylvania) Eastern U.S. Regional Director. For those of you attending the annual conference in June, please make an effort to meet some of these fine folks.

This is only a snippet. For more information, go to the website.

Confidentiality

By: Frank Baca, General Counsel

The New Mexico Gaming Control Board is unique in that it has been given statutory confidentiality that does not exist with other state agencies. The New Mexico Public Records Act, the New Mexico Inspection of Public Records Act and the New Mexico Open Meetings Act all contain general statements indicating it is the policy of the State of New Mexico to make the activities of state government transparent and to do so providing the general public ready access to "public records" and meetings of state agencies. As an example, Section 14-2-5 of the Inspection of Public Records Act states: "It is the further intent of the legislature, and it is declared to be the public policy of this state, that to provide persons with such information is an essential function of a representative government and an integral part of the routine duties of public officers and employees."

In spite of that general policy, the legislature saw fit to grant an exemption to the Gaming Control Board. Section 60-2E-41 of the New Mexico Gaming Control Act states: "any communication or document of an applicant or licensee is confidential . . ." In addition, section 10-15-1 of the Open Meetings Act provides a list of the exceptions to the general rule that meetings are to be open to the public. Subsection H (10) includes as one of the exceptions "that portion of a meeting of the gaming control board dealing with information made confidential pursuant to the provisions of the Gaming Control Act."

The 2001 Tribal-State Compacts also provide confidentiality. Section 4 E (3) states: "any information, documents or communications provided to the State Gaming Representative, his agents or contractors, or to any other official, agency or entity of the State by the Tribe, the Tribal Gaming Agency or the Gaming Enterprise, or prepared from information obtained from the Tribe, the Tribal Gaming Agency or the Gaming Enterprise, under the provisions of this Compact . . . are confidential." The 2007 amendments to the 2001 Com-

pact goes even further by clarifying that not only is communication from the Tribes confidential, but so is information to the Tribes.

I can only speculate as to the reasons the legislature granted the Gaming Control Board this unique status. However, I think it is reasonable to assume that it is due to the nature of the work conducted by the Board. The Board licenses racetracks and nonprofit entities as well as individuals working at the racetracks and nonprofits. As such, the Board gathers a substantial amount of personal background information regarding finances, ownership of assets, taxes, criminal background etc. Although an individual or entity signs a release, they have a right to expect that so much personal information gathered in one place would be kept private. In addition, the Tribal venues as well as the racetracks and nonprofits submit extensive financial information that most businesses would want to be kept confidential. This type of information is generally considered proprietary in nature as it reflects the business model being used and could be used by competitors.

Of course, there are exceptions to the general rule of confidentiality or, in this case, exceptions to the exception. Rule 15.1.2.8 contains a list of information possessed by the Board which is confidential and that which is not confidential. Two important exceptions are that names and addresses of persons licensed by the Board as well as information that is available from any other public source are not confidential and are subject to disclosure. Finally, information that is normally confidential will be disclosed upon issuance of a lawful court order.

The public should be aware that the Board takes serious the requirement to keep confidential information submitted by licensees as well as the rights of the public to know what the Agency and employees are doing. Balancing those two important principles is what keeps us lawyers employed.

The Universal Work Permit

By: John Monforte, Executive Director

The New Mexico Gaming Control Board continually seeks to improve the regulatory process. One way this is accomplished is by reviewing the balance between regulatory need and business desire. One change in direction stemming from this review will be made in the application of the work permit. This story precedes the policy changes and rule changes that will come in the near future.

The Board is proposing three changes to a work permit: 1) the renewal period will increase from one to three years; 2) the work permit will no longer be issued under a specific gaming operator's license and may be used throughout the state; and 3) the application and renewal fees will change from \$25.00 a year to \$75.00 for three years.

There were several considerations made in increasing the duration of the work permit to three years. Perhaps most importantly, it did not make sense that a key executive finding of suitability was renewed on a three-year basis and a work permit annually. A security officer or a cashier should not go through the rigors of a licensing review process more often than a gaming manager or gaming accountant. It is more important to the protection of the integrity of gaming that a key executive who has more access to gaming funds and a greater profile in the industry be given a higher level of review with greater breadth of background. Another reason is the benefit to the front-line gaming employee. Not having to complete an application on an annual basis is a direct benefit to a sizeable number of gaming employees. A third reason for the change relates to budget allocation. Similar to all other agencies, the New Mexico Gaming Control Board has a finite budget. Aligning the allocation of limited resources with the goals and objectives within the licensing division and the agency is important. Lastly, a review of other gaming jurisdictions made it abundantly clear that we were in a distinct minority being the only state that reviewed the work permit tier of gaming employees on an annual basis with a thorough background. There needed to be a change.

There has long been discussion at the Board of a "universal" license or in this instance permit. The permit would not be issued under a

gaming operator as has historically been the practice but rather to the individual. The permit would signify to the gaming operator that the individual has been found suitable by the New Mexico Gaming Control Board to hold a position requiring a work permit. The change would allow for example, a cashier at an Elks nonprofit to work or volunteer at another club or even the casino portion of a racetrack utilizing the same work permit badge. The Board decided that there was not a compelling regulatory need to limit the permittee to a gaming operator. A gaming operator may impose restrictions on a work permit employee in regards to working at other gaming operations but these restrictions would be employment decisions rather than licensing decisions. This is a change that is overdo.

If there is going to be any complaint in the changes to the work permit, it will come from the \$75.00 fee charged. It depends upon your perspective if this is an increase in the fees or not. Obviously, over the three year period, it is not an increase in money expended. The Board does acknowledge that it is more of a burden on the average work permit applicant to collect the total sum all at once. However, there are compelling reasons for the change. The actual cost of processing the application and completing the background on average is between \$67 and \$76 when the costs of the FBI fingerprint, the various databases are run and the staff time are included. Since the process was conducted on an annual basis, the agency was in effect subsidizing the process by only charging \$25.00 per year. This had to change when we are dealing with a permit that New Mexico is granting as a privilege. It should also be noted that there has never been an increase to these fees in the ten years that the New Mexico Gaming Control Board has been in operation. Moreover, they are much less than most states charge for the class of gaming applicants similar to our work permits.

The hope is that the changes to the work permit process benefit everyone involved. The duration of the work permit is less intrusive, less bureaucratic and less work for everyone. The utilization of the work permit gives the employee more flexibility, more options and is more useful. And the fees, well, they are more or less the same.

Total Gaming Revenue Amounts

Gaming Revenue Earned by Licensees

	January-08	February - 08	March - 08
Racetrack Operators	\$20,122,377.00	\$22,052,062.00	\$22,820,902.00
Nonprofit Operators	\$924,247.00	\$1,001,796.00	\$ 997,744.00
Total	\$21,036,624.00	\$23,053,858.00	\$23,818,646.00

Gaming Taxes Billed

	January-08	February - 08	March - 08
Racetrack Operators	\$5,231,818.00	\$5,733,536.00	\$5,933,434.00
Nonprofit Operators	\$91,425.00	\$100,180.00	\$99,774.00
Total	\$5,323,243.00	\$5,833,716.00	\$6,033,208.00

Average Daily Net Take Per Machine (=Arithmetic Mean)

	January-08	February - 08	March - 08
Racetrack Operators	\$248.00	\$289.00	\$282.00
Nonprofit Operators	\$49.00	\$57.00	\$53.00

Gaming Taxes Paid

	January-08	February - 08	March - 08
Manufacturers	\$85,358.00	\$16,125.00	
Distributors	\$31,406.00	\$27,281.00	

Amount Paid into Horse Racing Purses

	January-08	February - 08	March - 08
Racetrack Operators	\$4,024,475.00	\$4,410,412.00	\$4,564,180.00

Tribal Revenue-Quarter Ending Dec. 31, 2007 **

Total Revenue Sharing

Payments Received by the State: \$15,784,167

Total Tribal Net Win: \$120,935,620

**These tribal figures are based on all submitted reports in NMGCB possession at the time of release and are subject to change upon receipt of additional information

Upcoming Meetings

NM Gaming Control Board

Meetings in Albuquerque
Executive Session 9:00 a.m.
Public Session 1:30 p.m.

Tuesday, August 19, 2008
NMGCB Headquarters - Alb.

Meetings away from Albuquerque
Executive Session 11 a.m.
Public Session 1:30 p.m.
(Except Hobbs Executive Session
9 a.m., Public Session 11 a.m.)

Wednesday, September 17, 2008
NMGCB Headquarters - Alb.

Wednesday, October 15, 2008
Zia Park – Hobbs

Tuesday, June 17, 2008
SunRay Park – Farmington

Wednesday, November 19, 2008
NMGCB Headquarters - Alb.

Tuesday, July 15, 2008
Ruidoso Downs – Ruidoso

Tuesday, December 16, 2008
NMGCB Headquarters - Alb.

NM Racing Commission

8:30 a.m. Executive Session,
9:30 a.m. Public Session

Thursday, September 18, 2008
NMGCB Headquarters - Alb.

Wednesday, June 18, 2008
SunRay Park - Farmington

Thursday, October 16, 2008
Zia Park – Hobbs

Wednesday, July 16, 2008
Ruidoso Downs – Ruidoso

Thursday, November 20, 2008
NMGCB Headquarters - Alb.

Wednesday, August 13, 2008
Santa Fe

No December Meeting

Veterans, Fraternal, & Non-Profit Clubs of New Mexico

Meetings are held the 4th Tuesday of each month. Lunch is served at 12:00 noon, with the meeting immediately following.
For location information contact Bruce Jorgenson at 314-6723.

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NMGCB Mission Statement

The mission of the New Mexico Gaming Control Board is to uphold the integrity of gaming regulations at licensed racetracks and nonprofit organizations, and to monitor tribal gaming activity in the state. The Gaming Control Board qualifies gaming venues through a rigorous licensing and certification process designed to ensure a fair and honest gaming environment, while recognizing the broad importance of gaming tax revenue to the state economy.