

1 CHAIRPERSON JAMES: The Honorable Dale Phillips.

2 CHAIRMAN PHILLIPS: Thank you. I am very honored to  
3 come before you this morning. I just want to assure you that  
4 it's not as hot as you think it is. Good morning, my  
5 name is Dale Phillips and Chairman of the Arizona Indian Gaming  
6 Association and I, too, am going to read my statement. I'm also  
7 the Vice Chairman of the Cocopah Tribe of Arizona. Our  
8 reservation is in the extreme southwestern corner of Arizona. I  
9 want to thank the National Gaming Impact Study Commission for  
10 inviting me to testify today.

11 The Arizona Indian Gaming Association was formed in  
12 1994 and is a non-profit organization of Arizona Indian Tribes.  
13 AIGA was organized to promote the responsible conduct and  
14 regulation of Indian gaming on Indian land within the state and  
15 to promote, protect and preserve tribal interest through sound  
16 policy and practice for the conduct of gaming activities in  
17 Indian country.

18 I am here today to provide comments on behalf of AIGA  
19 concerning Arizona Indian gaming. I would like to discuss  
20 briefly each of the matters the Commission has been assigned to  
21 study under the National Gambling Impact Study Commission Act.  
22 First I would like to talk about Arizona Tribal Government policy  
23 regarding gaming.

24 There are 21 separate tribal governments in Arizona.  
25 Each tribal government responds to its own citizens. There are  
26 16 tribes that have compacts with the state of Arizona and out of  
27 these 14 are currently operating casinos. Two tribes, the  
28 Hualapai Tribe and the Kaibab Paiute Tribe began operating gaming

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1 under the compact but closed down due to the lack of business and  
2 the remote geographical location. The Havasupai Tribe has  
3 not elected to pursue gaming. The Hopi and the Navajo people  
4 have each voted in a referenda to not operate gaming on their  
5 reservation at this time. There is a strong bond among all  
6 Arizona tribes but each tribe is unique. The AIGA recognizes  
7 that each tribal government must exercise its inherent  
8 sovereignty and independently evaluate whether gaming is best for  
9 that tribe.

10 Tribes cannot unilaterally establish gaming policy.  
11 Even within their own jurisdiction Congress has limited the  
12 rights of tribes to control gaming policy in the Indian Gaming  
13 Regulatory Act. As a result Arizona tribes have compacts with  
14 the state for Class III gaming. These compacts are the result of  
15 a compromise between the state and the tribes. The compact  
16 limits Class III gaming in Arizona and insures comprehensive  
17 regulation by a tribe with extensive state monitoring. Indian  
18 gaming is regulated by three separate levels of government;  
19 federal, tribal and state. Indian gaming in Arizona is the most  
20 monitored and regulated game in the United States.

21 The second topic I would like to touch upon is the  
22 relationship between gaming and the level of crimes. Arizona  
23 tribes have not seen any evidence to suggest that Indian gaming  
24 has caused an increase in criminal activities either on or off  
25 reservations. In fact, I believe gaming will reduce crime in  
26 Indian country. Actually gaming crimes have been very minimal  
27 due to the intense security and regulation that tribal casinos  
28 operate under. However, AIGA recognized that to some extent

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1 increased business and economic activities of any kind can  
2 provide the opportunity for criminal activities.

3 For instance, there would be no security fraud if  
4 there was no stock market. There would be no shoplifting or  
5 criminal price fixing if there were no stores. Economic  
6 enterprise of any kind can create the opportunity for criminal  
7 activities. We all know there would be less crime in Phoenix if  
8 there were no Phoenix Suns' or Arizona Cardinals' games. Large  
9 crowds will always lead to some criminal acts.

10 No one would consider getting rid of a business as a  
11 way of getting -- as a way to get rid of business crimes. The  
12 solution for gaming and gaming related crimes is strict policy  
13 and regulation. Tribal gaming in Arizona is strictly regulated  
14 and has not produced any significant increase in criminal  
15 activities. AIGA understands that the gaming business, like all  
16 other business, may increase the opportunity for criminal  
17 activities but no more so than in many non-gaming businesses.  
18 Because gaming is a cash business, greater precautions are taken  
19 to safeguard the assets of the casinos.

20 Arizona gaming tribes recognize the absolute and  
21 critical importance of active regulations of the business of  
22 gaming. Every Arizona gaming tribe has agreed in its compact to  
23 organize a separate arm of tribal government whose sole  
24 responsibility is the regulation of the gaming business to insure  
25 that gaming is conducted in compliance with the Indian Gaming  
26 Regulatory Act, federal regulations, the compacts, all tribal  
27 laws and regulations and extensive internal controls adopted by  
28 each gaming business.

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1 Indian tribal regulations in Arizona includes  
2 licensing all gaming employees, licensing all vendors, enforcing  
3 strict and comprehensive control. You won't find any gaming  
4 operations in the United States that are more completely  
5 regulated than the Indian casinos in Arizona. The tribes in  
6 Arizona actively regulate gaming with a well-funded agency  
7 because regulation is a necessary component of the business.

8 In addition, Arizona gaming tribes recognize the  
9 benefit of having an outside agency monitoring the tribe's  
10 regulations of gaming. Under each of their Arizona compacts the  
11 state of Arizona, through the Arizona Department of Gaming,  
12 monitors each tribe's regulations of gaming business. Tribes pay  
13 for all regulations. The Arizona gaming tribes have agreed to  
14 reimburse all reasonable costs incurred by the state of Arizona  
15 in monitoring tribal regulations of the gaming.

16 Most of the Commission's study of gaming at times  
17 will focus on alleged -- focus on the allegations that gaming  
18 increases crime. The widespread of poverty that has plagued  
19 Indian country for over a century has resulted in very high rates  
20 of criminal activity. Unfortunately, violence and property  
21 crimes have been a part of everyday life in Indian country for a  
22 long -- country for long before we knew about gaming. Indian  
23 gaming has really begun to improve lives in Indian country and  
24 crimes in Indian country will be reduced as a result.

25 Indian gaming provides jobs for our people. As  
26 unemployment goes down, our economies improve, crimes in Indian  
27 country will be reduced. The Commission is also assigned the  
28 task of evaluating the problem of gambling throughout the country

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1 including tribal casinos. AIGA and its member tribes recognize  
2 that a small percentage of the individuals participating in  
3 gaming both at the tribal casino and at off reservation gaming  
4 facilities, have a problem with gaming. We recognize this and  
5 believe that all tribes engaged in gaming and all horse tracks  
6 and dog tracks and off-track betting centers throughout Arizona  
7 and the state lottery have a responsibility to address this  
8 problem by supporting programs that counsel and help problem  
9 gamblers.

10 Many of our member tribes regularly support Gamblers  
11 Anonymous and similar organizations. AIGA urges each member  
12 tribe to devote a share of their net revenues to non-profit  
13 institutions that assist individuals experiencing a problem with  
14 gaming. We believe that all gaming facilities throughout Arizona  
15 should share this responsibility.

16 Next I would like to discuss the role of advertising  
17 and the promotion of gambling in Arizona. Gaming in Arizona is a  
18 competitive business. Many Arizona tribal casinos are in remote  
19 rural communities. As I have mentioned, two Arizona tribal  
20 casinos did not survive as businesses due in part to their remote  
21 location.

22 CHAIRPERSON JAMES: Mr. Phillips.

23 CHAIRMAN PHILLIPS: Oh, okay, I didn't see that.  
24 Once I get on a roll, I get going. Thank you.

25 CHAIRPERSON JAMES: As well you should and we are  
26 very interested in hearing your full testimony and I'm going to  
27 suggest, as with all testimony that the full context be entered

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1 into the official record and will be available to all of the  
2 Commissioners.

3 CHAIRMAN PHILLIPS: Sure, I will do that. And I  
4 apologize, I wasn't looking.

5 CHAIRPERSON JAMES: No apologies necessary.

6 CHAIRMAN PHILLIPS: You know how us politicians are.

7 CHAIRPERSON JAMES: Give you a mike and you just get  
8 going.

9 CHAIRMAN PHILLIPS: Yes.

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