

1 CHAIRPERSON JAMES: The Honorable David Kwail.

2 CHAIRMAN KWAIL: Thank you very much.

3 CHAIRPERSON JAMES: Thank you.

4 CHAIRMAN KWAIL: Honorable Chairman and committee
5 members. My name is David Kwail. I'm a member of the Yavapai-
6 Apache Nation. Also I am the president of the Inter-Tribal
7 Council of Arizona. My statements are simply for my Yavapai-
8 Apache Nation. Our reservation is located in Camp Verde,
9 Arizona, approximately 100 miles north of Phoenix. I thank you
10 for the opportunity to appear before you today. I have submitted
11 written testimony that goes into more detail than I have time to
12 speak of about this morning and I hope the Commission will read
13 it carefully.

14 For my oral presentation I would like to hit on the
15 high points of our experience with tribal gaming. My comments
16 will address two subjects; first, how our gaming operation has
17 helped both the Yavapai-Apache Nation and out non-Indian
18 neighbors in the surrounding community and; second, what we are
19 doing to try to counteract any possible negative impacts. As you
20 know, tribal gaming is different from privately owned commercial
21 gaming.

22 The Indian Gaming Regulatory Act requires tribes to
23 expend their gaming revenues for specific identified purposes
24 that benefit the tribal communities such as governmental
25 services, economic development and investments. The Yavapai-
26 Apache Nation is a textbook case of the IGRA working the way it
27 is intended. By lifting our people out of poverty into the life

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1 where they can feed, clothe, educate and employ themselves in a
2 way consistent with the American dream.

3 The nation has operated a Class III gaming casino,
4 the Cliff Castle Casino since May of 1995. Until that time, our
5 tribal economic development was limited to a modest hotel, an RV
6 park and a gas station. Since 1995 our gaming resources has
7 underwritten projects and governmental services for our
8 reservation that in most cases did not exist before. For
9 example, before gaming, we could not afford a tribal police force
10 and the BIA stationed less than two officers in our communities.

11 Today we now have a tribal force consisting of a
12 chief and four officers with an annual budget of over \$1 million
13 -- half a million dollars, I'm sorry. I don't want to get you
14 too excited there. I wish it was that. I wish our agency had a
15 couple of million to run this police force. Our police are
16 cross-deputized and have a mutual cooperative relationship with
17 the local law enforcement.

18 Before gaming our housing improvement program
19 operated a unequitable budget of \$20,000.00 a year every penny of
20 which came from the BIA. Today the same program has an annual
21 budget of \$1.2 million every penny of which comes from the gaming
22 revenues. An additional 150,000 is available for maintaining the
23 existing housing stock. This program has been instrumental in
24 extraditing substantial housing on the reservation.

25 We now have a recreational and preschool program, a
26 clothing allowance paid twice a year to children in K through
27 twelfth grade, a social services program that helps members
28 struggling with substance abuse, a food bank, an elderly program

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1 that pays utility bills and costs of around the clock home care
2 for elderly members who need assistance.

3 Before gaming we did not have some of these programs.
4 Before gaming fewer than 40 tribal members received scholarships
5 for education. Today the nation fund entirely with gaming
6 resources for over approximately 80 tribal members. These
7 scholarships enable a tribal member to attend local community
8 colleges, private colleges, universities and vocational education
9 centers.

10 Gaming revenues have allowed us to improve our
11 infrastructure using a combination of gaming resources and
12 federal funds. We have in the past three years built a
13 gymnasium, community center, a new tribal administrative building
14 and the new tribal administration building does include a
15 courthouse and chambers for our tribal judges and before that we
16 operated under just a trailer for our court systems. Our
17 old prefab administration building has now been remodeled and is
18 housing the Headstart Program and it will also now include a
19 Montesori School. The economic impact of our gaming operations
20 is felt in other ways as well. The casino employs 303 people, 58
21 tribal members, 48 members of other Indian tribes and 196 non-
22 Indians from the surrounding community. Tribal members holding
23 management positions have increased from approximately 10 percent
24 to the management over the years now to 54 percent to date.

25 The nation itself employs 200 tribal members in
26 various tribal programs and services made possible through
27 gaming. Before gaming only 50 tribal members were employed.
28 Thus as a direct result of gaming revenues tribal employment has

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1 increased by four-fold, meaning 200 people not including the jobs
2 created by the casino itself. Our employees, Indian and non-
3 Indians alike derive great benefits from their employment besides
4 their paychecks. And by that we do very well in getting pensions
5 for our people, health insurance, dental insurance. Those are
6 critical things that we couldn't even afford three years ago.

7 All tribal casino employees participate in
8 comprehensive health plans, a generous 401K retirement plan.
9 While these benefits may be unexceptional for most Americans,
10 they are an unimaginable for us and many of our neighbors in the
11 Verde Valley. Indeed, we have heard evidence that local doctors
12 and dentists have a stream of new patients who, until their
13 employment with us, could not afford preventative dental and
14 health care.

15 Gaming revenues have also been used to derive our
16 economic development base. For example, we have purchased over
17 100 -- excuse me, 1800 acres of land for use of tribal residency
18 and non-gaming business enterprises. We've also purchased a
19 ranch that provides employment for tribal members. The impact of
20 our success is beyond our reservation boundaries. The Cliff
21 Castle Casino employs 197 non-Indians down from the surrounding
22 towns and rural areas.

23 The second item I'd like to talk to you regards to
24 the concern on Gambling Anonymous. I would like to say that
25 critical to avoiding gaming negative impacts and a comprehensive
26 regulation of the gaming operation, we understand that this
27 Commission is concerned broadly with the regulation of gaming in
28 this country, not just Indian gaming. However, I urge you to

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1 recognize the important ways in which tribal gaming is different
2 from other gaming and to spare tribal gaming from any additional
3 regulatory burden.

4 We do not suggest that the gaming industry does not
5 require regulations. We believe, however, the additional
6 regulations of tribal gaming would suffocate our operation beyond
7 resurrection. First and foremost, Indian gaming is already
8 uniquely and heavily regulated by the Federal Government. Our
9 written testimony goes into detail of what IGRA requires and on
10 the triple layer of regulations already provided by the tribal,
11 federal and state governments. I won't waste our time together
12 this morning telling you what you probably already know.

13 I would, however, like to boast briefly about our
14 Tribal Gaming Commission. The nation operates a Tribal
15 Commission which sets out or expresses and implies inherent
16 powers of the tribal government. By ordinances, the Tribal
17 Council creates the -- created the Yavapai-Apache Gaming
18 Commission, an independent agency that monitors all aspects of
19 the tribal gaming operation that has broad enforcement powers.
20 The commission employs a staff of 30 individuals and have an
21 operating budget of \$1.2 million.

22 I know that the commission is diligent in performing
23 the duties and at least because of the casino management,
24 complains from time to time about the zealous regulations. The
25 commission decides our reviewal by the Yavapai-Apache tribal
26 court which has trial and appellate judges. The Yavapai nation
27 also enacted an ordinance insuring that the patrons have a
28 dispute in the casino are fairly treated. We have insurance

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1 coverage of up to a million dollars per occurrence for personal
2 injury and property damage and to insure may not be revoked by
3 the nation's sovereign immunity up to a limit of that policy.

4 The nation also details responsibility for criminal
5 activities that occurred from time to time in a casino. And I
6 think I ran out of time but I just have a few more sentences to
7 go here but you have my written testimony and I do thank you for
8 it.

9 CHAIRPERSON JAMES: We owe you thanks. Thank you
10 very much for being here and I want to thank each of you for
11 accepting the Commission's invitation to come in this morning and
12 to ably express the concerns of the communities that you
13 represent. And we are most delighted to receive your testimony.
14 Thank you very much.

15 COMMISSIONER LOESCHER: Madam Chairman.

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