

1 CHAIRMAN JAMES: And so I'm going to defer to Mr.  
2 Thompson at this time.

3 MR. THOMPSON: Well, thank you, I say Amen to what  
4 Gary says, but then I'm working --

5 CHAIRMAN JAMES: Well, thank you for your testimony.

6 MR. THOMPSON: I'm working with him.

7 As the last presenter today, formal presenter, the  
8 onus is on me to try to say something different or at least to  
9 say the same thing in a different way, I'll try.

10 The first thing I'd like to say is Native American  
11 casinos pay the highest taxes of any casinos in the world. And I  
12 wrote a book called International Casino Law that covers a  
13 hundred countries in the world and I have visited over five  
14 hundred casinos in half those countries. The highest taxes in  
15 the world, they pay one hundred percent net.

16 Now what's a tax? Well, it's a required payment to a  
17 government, they pay it to their tribal governments. I think  
18 that point should be known because later on I'll talk about some  
19 of the consequences of the fact that Native American casinos  
20 don't pay federal income tax or state income tax on their casino  
21 profit and so that's point number one I'd like to make.

22 Point number two, ATM's are good. They remove fear  
23 of being robbed when you're going to a casino. The trouble with  
24 ATM's in casinos is they are not debit machines, they're credit  
25 machines. You should address ATM's in casinos and say shouldn't  
26 they be debit machines and shouldn't an ATM in a casino only  
27 allow you to go down to zero in your account and not let you go

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1 into your negative account. And they can certainly be programmed  
2 this way.

3 And there's a second thing, ATM's in casinos should  
4 allow you to take deposits so you don't have to be fearing being  
5 robbed when you go home. And you never see an ATM in a casino  
6 that allows you to make a deposit so consider that.

7 And I would say these rules should also apply to any  
8 24 hour ATM's within 10 miles of a casino. ATM's though are good  
9 so I just wanted to make that point.

10 Third points been made over and over and over again  
11 today, we've heard it. We don't have any information, we don't  
12 have any information, we don't have the information. Guess what?  
13 Twenty million voters in California are being asked this fall to  
14 vote on whether they're going to have wide, open, unlimited  
15 casino gambling on one hundred or more rancherias in California.  
16 But guess what: they don't have the information. That is a major  
17 decision voters are being asked to make. They don't have the  
18 information.

19 Gary and I are trying to research a book, we don't  
20 have the information. We're trying to come up with variables and  
21 information and I've presented some in the table-1990 census  
22 data. That's old; we should have those census indicators every  
23 year. You should work with the general community and policy  
24 makers so this information is available every year so we can look  
25 at the progress of Native American gaming and see does Native  
26 American gaming really help? Does it have an impact? How  
27 positive is the impact?

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1 But another thing we need for these studies is we  
2 need information about how much gaming is out there, how much  
3 gaming is out there. And I've talked about it in my paper and we  
4 have lots of copies of the things floating around. The problems  
5 we had in putting together an economic study in Wisconsin of  
6 getting information, but thankfully Bill Gollnick and the other  
7 officials with the Oneida's Rick Hill, they allowed us to go in  
8 and interview players there. That was very essential we also  
9 were -- got permission to go into the Potawatomi casinos there so  
10 we were able to build a study based on assumptions.

11 But the state of Wisconsin would give us no  
12 information. They had the information, why didn't they give it  
13 to us? Because in their, I would not say wisdom I would say  
14 stupidity, our Congressman in 1988 said that Indian gaming is  
15 exempt from the Freedom of Information Act.

16 The Freedom of Information Act is essential to  
17 American democracy, it's essential to democracy on Native  
18 American reservations and yet it doesn't apply. That decision  
19 has to be changed, we have to have information about how much  
20 gaming there is. The voters of California need it, Congressmen  
21 need it, Governors need it when they're making compacts and guess  
22 what, the Native American population needs it when they're making  
23 policy decisions within their reservation government. So the  
24 freedom of information exemption should go.

25 We've done economic impact statements of Native  
26 American gaming and you know why it's positive for communities?  
27 And I compared Wisconsin with Illinois river boats, commercial  
28 river boats, both states twenty percent came into gain, twenty

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1 percent from out of state came in so the demographics were the  
2 same. It was positive in Wisconsin with Native American Gaming,  
3 it was negative in Illinois. Why? Because the Native American  
4 taxes are local taxes. When they, Native American tribes, are  
5 asked to send the money to Santa Fe, sixteen percent or send  
6 eight percent to Lansing in Michigan or some other percent to a  
7 state capital that money is lost from the local government. In  
8 Illinois the river boats are asked to send as much as thirty  
9 percent out of Joliet down to Springfield. That money is a drain  
10 on the Joliet economy that makes an economic loss. The other  
11 factor that makes an economic loss in Illinois is the fact the  
12 casinos are owned by outsiders. No casino company is located in  
13 Joliet, Illinois.

14 But the casino companies are located on all the  
15 reservations and they keep the profits at home. That makes it  
16 very positive for the local economies. So, I've gone through a  
17 little bit of the equation there.

18 Native American gaming has positive attributes.  
19 There's no question that Native American gaming is doing positive  
20 things, but is it helping Native America? And that's a question  
21 I've put together a chart using census data and using data from  
22 Casino Executive Magazine.

23 And by the way I added up all the totals and it came  
24 out to something like ninety-five percent -- excuse me, 95,000  
25 employees Native American casinos, this was 1997 data from Casino  
26 Executive Magazine.

27 But what I did on a chart I presented to you, and I  
28 hope I made the changes on the chart you got. I did on the ones

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1 in the back because there were two reservations I didn't get-the  
2 Ogalala and Pine Ridge connected and there was another one I  
3 didn't get-the White Mountain Apache and Fort Apache connected so  
4 I made a correction on that, but the bottom line is the same.

5 I looked at the 18 largest Indian casinos,  
6 reservation data, excuse me, the 20 largest then over here I  
7 looked at the 20 largest reservation populations. There was only  
8 one overlap, the Choctaw was the only one of the 20 largest  
9 reservations that had one of the 20 largest casinos.

10 But what I found was that the largest casinos produce  
11 over 50 percent of the revenue, over 40 percent of the gaming  
12 space machines and so forth. They produce that, but they only  
13 have 3 percent of the Native population, 1990 data. 1990 data.

14 On the other hand, the 20 largest reservations have  
15 62 percent of the Native American population and they only have 6  
16 to 7 percent of the gaming. There is an inequity here, Native  
17 American gaming is not helping Native America. Native American  
18 gaming is helping selected small tribes in America.

19 Now, I don't begrudge those tribes being helped, but  
20 I think with the extent of Native American gaming and the revenue  
21 there should be built into Native American policy on gaming since  
22 it is a federal government policy and it is a whether there's  
23 treaty rights behind it, ultimately and sovereignty behind it, it  
24 is a selective benefit given to communities of people, nations of  
25 people.

26 The policy should be addressed to Native America  
27 collectively and a sharing mechanism should be developed. A  
28 sharing mechanism should be developed not through the BIA, but

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1 the Native Americans should put together a council, put together  
2 a formula so the very rich Shakopee reservation in Minnesota can  
3 somehow share money with their cousins, their own people, their  
4 own nation who happen to be on the Pine Ridge reservation in  
5 South Dakota and are the poorest county in America.

6           There should be some sharing mechanism, not a  
7 quality, but a sharing mechanism such as we build into our income  
8 tax law in the United States. Higher rates for richer people and  
9 so forth and the welfare mechanism there. Sharing is an American  
10 value. It's built into much of our governmental policy. Sharing  
11 also is an American Native value as Chairman Thomas so eloquently  
12 told us just a few minutes ago, sharing is a Native American  
13 value. I thinking sharing should be built into Native American  
14 gaming policy. Thank you very much.

15           CHAIRMAN JAMES: Thank you, Mr. Thompson.

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