

JOINT WAYS AND MEANS COMMITTEE
PUBLIC SAFETY COMMITTEE

TESTIMONY OF MAUREEN MINTHORN, REPRESENTING
THE CONFEDERATED TRIBES OF THE UMATILLA INDIAN RESERVATION
AND THE OREGON ASSOCIATION OF INDIAN GAMING COMMISSIONS,
ON S.B. 5531 AND THE OREGON STATE POLICE TRIBAL GAMING SECTION BUDGET
FOR THE 2015-17 BIENNIAL

April 2, 2015

Good Morning Co-Chairs Shields and Williamson and Members of the Public Safety Subcommittee. My name is Maureen Minthorn and I am the Gaming Inspector for the Umatilla Tribal Gaming Commission, a position I have held for the past 14 years. I appear this morning on behalf of my Tribe, the Confederated Tribes of the Umatilla Indian Reservation, and on behalf of the Oregon Association of Indian Gaming Commissions (OAIGC), an association of all Oregon tribal gaming commissions, which I chair. Before I proceed with my testimony, I'd like to say this: The Oregon tribes are committed to maintaining a positive and productive relationship with our colleagues at the Oregon State Police Tribal Gaming Section (TGS), and will continue to do so, regardless of the outcome of this budget issue.

The Oregon gaming tribes pay close attention to the OSP Tribal Gaming Section budget for a simple reason: we pay for it. The Tribes fully fund this Section of OSP – no dollars are allocated from the State's General Fund. In reviewing the TGS budget, I would expect the Subcommittee to hold OSP to the same standard that my Tribal government employs when acting on the budget of the Umatilla Tribal Gaming Commission: spend wisely and efficiently to accomplish your mission, but no more.

Based on our review of the TGS 2015-17 proposed budget, combined with various factors that have arisen over the last several years, the OAIGC has requested that the TGS budget be reduced by 2 non-sworn positions. The TGS currently has 13 FTEs.

Our FTE reduction request is based upon the following factors:

- 1) TGS personnel have consistently been assigned to perform services unrelated to tribal gaming. According to OSP data, TGS personnel were assigned to non-tribal gaming duties for a total of 1,662 hours in the 2011-13 biennium, and a total of 1,796 hours in the first 18 months of the 2013-15 biennium (through December, 2014). That is a grand total of 3,458 hours of staff time spent elsewhere.
- 2) Because of the closure of the Burns Paiute Old Camp Casino in late 2012, the TGS has one less tribal casino to monitor. While the Burns Paiute Casino was small, it presented a challenge because of its remote location and because of that Tribe's need for Tribal Gaming Section services.
- 3) For the remaining eight tribal casinos, the demands on the TGS have been reduced in recent years.
 - a. While we used to conduct annual joint compact compliance reviews, they now occur only every other year.
 - b. Background checks on casino employees - once conducted almost exclusively by the TGS - are now mostly performed by Tribal Gaming Commissions. Only three tribal casinos rely upon the TGS for these background checks.
- 4) Our Tribal Gaming Commission staff, budgets and expertise have grown considerably in the past two decades to carry out our role under federal and tribal law, and under our tribal-state gaming compacts. We are the primary regulators of the gaming occurring in our tribal casinos. At last count, the eight Oregon gaming tribes employ 219 full time regulators, including 77 gaming commission personnel, 142 surveillance personnel and we operate with a combined annual budget of \$17,053,774.

5) The TGS has consistently under-spent its personnel budget. In the 2011-13 biennium, the personnel budget of \$2,468,789 was under-spent by \$545,722, leaving 22% of the personnel budget unspent. In the current biennium, according to the most recent TGS report, the personnel budget of \$2,609,266 is under-spent by \$488,768, leaving 25% of the personnel budget unspent.

I know I speak for all Oregon Tribal Gaming Commissions in stating that we are committed to ensuring the fairness, integrity, security and honesty of Indian gaming. This is paramount to the overall economic success of our tribes. As Chair of the OAIGC, I can assure you that we have worked to build an effective relationship with the TGS to achieve our common objectives. The Subcommittee should be aware that we presented this TGS FTE reduction request to the Oregon State Police in June of last year. We used the process set out in our compacts to review and comment on the TGS budget, and we have been transparent as to the reasons and data that support our request. Our request was rejected for reasons that did not persuade us that our request was wrong.

OSP argues that it has already implemented cost saving measures. The tribes agree but would point out that most of these measures were tribal ideas or the result of tribal challenges, such as the use of auditors instead of sworn personnel, and the tribal-state MOU limiting tribal responsibility for the payment of Tribal Gaming Section personnel litigation costs that is unrelated to their gaming monitoring functions. OSP argues that its “work drivers” require maintaining its current workforce. However, these work drivers, which include the quantity of gaming stations, background checks, and investigation requests, are either static or decreasing. Finally, OSP argues that new game reviews, casino openings, closures and expansions, and the updating of the minimum internal control standards (MICS) requires maintaining all current

FTEs. Here again, these events are infrequent or require limited Tribal Gaming Section involvement. For example, in the past ten years, we have had only two casino closures and one new casino open. While there have been several casino expansions, including at least three at the Wildhorse Casino where I work, the role of the Tribal Gaming Section in these expansions is minimal. And, the number of new game reviews and MICS updates in the past ten years can be counted on one hand. By these examples, I do not seek to demean the importance of the role that the Tribal Gaming Section plays. I merely intend to put them in context. I would not advocate for, and the OAIGC would not support, a reduction in Tribal Gaming Section FTEs if we had evidence to believe that it would impair their ability to perform their compact authorized function.

As already mentioned, in the past two biennia, the TGS assigned their personnel to over 3,400 hours of non-tribal gaming functions, they under-spent their personnel budget by at least 22%, yet tribal gaming in Oregon has seen no major incidents of gaming fraud, embezzlement or related criminal activity.

We do not believe that our request will impact the TGS's ability to meet their monitoring responsibilities under our gaming compacts, and submit that their own data supports that statement. Given the information provided, we believe our request to reduce two (2) non-sworn FTEs from the TGS is reasonable. I appreciate the opportunity to appear before the Subcommittee to provide our views on SB 5531 and the OSP Tribal Gaming Section budget.

Thank you.