



MILLE LACS BAND OF CHIPPEWA INDIANS

Executive Branch of Tribal Government

Corporate Commission

**CORPORATE ORDER #0002.1
OF
THE CORPORATE COMMISSION OF THE
MILLE LACS BAND OF OJIBWE INDIANS**

The undersigned, the Commissioner of Corporate Affairs of the Corporate Commission of the Mille Lacs Band of Ojibwe Indians, a corporation and a political subdivision of the Mille Lacs Band of Ojibwe Indians (the "Commission"), hereby adopts the following Corporate Order effective this 2nd Day of February, 2000.

WHEREAS, The Commission has the authority under 16 MLBSA § 106(e) to name a separate gaming authority;

WHEREAS, The Commissioner of Corporate Affairs is empowered pursuant to 16 MLBSA § 111 (b) to issue such regulations or take such directives as may be necessary to serve the best interest of the Commission via a Corporate Order;

WHEREAS, On January 19, 2000 the Corporate Commission Board of Directors approved the Gaming Authority Resolution.

NOW THEREFORE, the Commissioner of Corporate Affairs hereby adopts the Gaming Authority Resolution which is attached hereto as Exhibit A to this Order and made part hereof by reference thereto.

IT IS SO ORDERED,

A handwritten signature in cursive script, appearing to read "K. W. Mimmack", written over a horizontal line.

Kenneth W. Mimmack
Commissioner of Corporate Affairs

EXHIBIT A
Commissioner's Order 0002.1
GAMING AUTHORITY RESOLUTION

OF THE
CORPORATE COMMISSION
OF THE
MILLE LACS BAND OF OJIBWE INDIANS

SECTION 1. POLICY, PURPOSE AND SCOPE

1.1. Policy; Purpose. So that gaming can continue to benefit the health and welfare of members of the Band and so that the intent of the Band Assembly as stated in 15 MLBSA § 3 is fulfilled, it is the policy of the Corporate Commission to ensure effective, independent oversight and regulation of all gaming conducted on Reservation Land; ensure that persons who hold key positions in the Band's gaming enterprises are honest, trustworthy and of good moral character; protect Band assets through implementation of strong, effective financial accounting and internal cash controls; comply with all applicable law, including Band law, federal law and Band/State gaming compacts; and clearly define and distinguish the respective duties and powers of casino management and gaming regulation so that they complement one another in such a manner as to maximize the benefits of gaming to the Band and the surrounding community.

1.2. Scope. This resolution applies to all gaming that occurs on any Reservation Land.

**SECTION 2. GAMING AUTHORITY; ESTABLISHMENT;
ORGANIZATION; POWERS**

2.1. Creation. The Mille Lacs Band Gaming Authority is hereby created. It shall consist of five members appointed in the manner provided by Section 2.2. It shall be an autonomous regulatory body, independent in all matters pertaining to gaming regulation and licensing.

2.2. Board composition.

(a) Qualification; Appointments

(1) The Gaming Authority (GA) shall consist of five members who shall be appointed by the Commissioner of Corporate Affairs, with the advice and consent of the Corporate Commission Board of Directors. In making such appointments, the Commissioner of Corporate Affairs shall consider individuals who, by reason of their background and expertise in areas related to business, gaming, and regulation, are qualified to serve as members of the Gaming Authority. GA Members shall not be full time but shall serve in a part time capacity as needed.

(2) The GA Members shall be individuals who are of high moral character and integrity, who have a reputation for being honest, fair, objective, and who are recognized as possessing sound judgment. GA Members shall not have been convicted of a felony or any gaming related offense. GA Members shall be subject to the same background investigations and licensure as key employees and primary management officials under the Mille Lacs Band gaming laws.

(b) Chairperson

The Chairperson, GA Member I, shall be appointed by the Commissioner of Corporate Affairs, for a four year term, with the advice and consent of the Corporate Commission Board of Directors. A GA Member may only be removed pursuant to 3 MLBSA § 25 for neglect of duty or malfeasance in office but for no other cause. Malfeasance shall include, but not be limited to, gaming at any Mille Lacs gaming enterprise or being convicted of any gaming related offense or any felony.

(c) Terms; vacancies

(1) GA Members II and III first appointed under this section shall be appointed for terms of two years and GA Members IV and V shall be appointed for terms of four years. Subsequent to the initial term appointments, all terms will be for four years. The term of each to be designated by the Commissioner of Corporate Affairs at the time of nomination.

(2) Any GA Member appointed to fill a vacancy occurring prior to the expiration of a term for which their predecessor was appointed shall serve for the remainder of such term. A GA Member may continue to serve after the expiration of his or her term until a successor has taken office, except that he or she may not under any circumstances continue to serve for more than 90 days after the date on which his or her term would otherwise expire.

(d) Restrictions on GA Members' outside activities

GA Members shall not:

(1) Be in the employ of any gaming enterprise managed by the Corporate Commission or be an elected official of the Mille Lacs Band;

(2) Be in the employ of, or hold any office in or have any business relationship with, any businesses engaged in selling or manufacturing gaming products or services;

(3) Engage in gaming at any gaming enterprise managed by the Corporate Commission;

(4) Have any material interest in any business engaged in gaming related commerce with or be employed by the Gaming Division of the Corporate Commission of the Mille Lacs Band. GA Members may be engaged in other businesses, vocations, or employment situations, which do not create a conflict of interest with Mille Lacs Band interests.

2.3. Organization.

Any three members of the GA shall constitute a quorum for conducting business and all actions of the GA shall be by majority vote of a quorum.

(a) Meetings:

(1) Regular meetings of the GA shall be held at least monthly and upon written notice. The dates of regular meetings shall be set by official action of the GA. Special meetings of the GA may be called by the Chairperson or the Director upon at least forty-eight hours written notice to the Chairperson.

(b) Functions of Chairperson;

(1) The Chairperson of the GA shall be the principal executive officer of the GA and shall exercise the executive functions of the GA.

(2) In carrying out any function under the provisions of this chapter the Chairperson shall be governed by the laws of the Band, general policies of the GA and such regulatory decisions, findings, and determinations as the GA may by law be authorized to make.

(3) Requests or estimates for regular, supplemental, or deficiency appropriations on behalf of the GA may be submitted to the Corporate Commission Board of Directors by the Chairperson with the prior approval of the GA.

(4) The Chairperson shall delegate authority and assign the duties of the Director of the Office of Business Regulation and Compliance sufficient to aid the GA in fulfilling its regulatory and monitoring responsibilities.

(c) Compensation

(1) GA Members shall be independent non-employees and shall be compensated on a monthly and per/meeting basis in such amounts and on such terms as may be established by the Commissioner of Corporate Affairs with the advice and consent of the Corporate Commission Board of Directors. Mileage and other travel expenses of GA Members shall be paid on the same terms and conditions as apply to Senior Executive Staff appointees as provided in Band Statutes.

2.4. Powers and Duties.

(a) General.

The GA shall be responsible for ensuring that all gaming activities on Reservation Land are carried out in compliance with the Indian Gaming Regulatory Act, Band Gaming Laws and Regulations, the Compacts, National Indian Gaming Commission's Minimum Internal Controls and other applicable law. To this end, the GA shall exercise regulatory, not operational, authority over Gaming Enterprises and Charitable Gaming. All management and operational authority over Gaming Enterprises shall remain with the Corporate Commission in a division separate and distinct from the GA. Staff and administrative support and office space and equipment for the GA shall be provided by the Office of Business Regulation and Compliance as set forth in Section 2.5 hereof. The GA may hire such staff, retain such consultants and enter into such contracts, as it may deem necessary to carry out its duties as specified in the regulations. It may bring such actions as may be necessary to carry out its duties, including, but not limited to the enforcement of Title 15 of the Mille Lacs Band Statutes Annotated and other Band Gaming Laws.

(b) Regulations.

All regulations promulgated by the GA shall, to the greatest extent possible, assure that all gaming is conducted in an effective manner, which completely protects the honesty and integrity of the games and gaming operations.

(1) The GA shall give notice of its intent to adopt a regulation by publishing in the Band newsletter entitled Mille Lacs Band News, or successor publication, by putting a copy of the notice in the Band's Government Center and the District Community Centers, and by delivering a copy of the notice by United States mail or other appropriate means to the Speaker of the Assembly, the Chief Executive, the Solicitor General, the Commissioner of Administration, the Commissioner of Corporate Affairs, the General Manager of each gaming enterprise, all primary management officials, key employees and vendors, as applicable. The notice shall include either a copy of the proposed regulation and an announcement that a free copy of the proposed regulation may be obtained from the GA. Written comments may be submitted on the proposed regulation no later than thirty days from the date of the posting of the notice; the proposed regulation may be modified if supported by the data and view submitted; and the GA may, in its discretion, hold public hearings prior to the adoption of any proposed regulation.

(2) The GA shall review all comments during the comment period, make such changes to the proposed regulation as it deems reasonable and appropriate and approve all regulations by resolution. The GA shall, by resolution, set the effective date of the regulation and publish and post copies of a notice of intent to adopt the regulation, state the effective date, and announce that free copies of the

regulation are available from the GA. In addition, copies of the notice and final regulation are available from the GA. In addition, copies of the notice and final regulation shall be delivered by United States mail or other appropriate means to all persons who were sent a copy of the notice of intent.

(c) Monitoring and Investigation.

The GA shall have the authority and the responsibility to monitor all gaming enterprises for compliance with the Indian Gaming Regulatory Act, Band Gaming Laws and Regulations, the Compacts, National Indian Gaming Commission's Minimum Internal Controls and other applicable law; take action upon all gaming related patron and vendor complaints that have not been resolved between the complainant and the gaming enterprise; levy fines; grant, deny or suspend licenses; and monitor and enforce rules concerning charitable gaming.

The GA shall have unrestricted access to all areas of the gaming enterprise in accordance with established regulatory guidelines including all books, files, records, reports and other data regarding the operation of all gaming enterprises, whether in written or electronic form, as is necessary and reasonable to carry out its legitimate regulatory duties. The GA may require any gaming enterprise to compile and provide such data and to testify as to matters within their knowledge concerning the operation of the gaming enterprise; and by subpoena, may require the associates of any company that is managing a gaming enterprise on behalf of the Corporate Commission, or any other person within the jurisdiction of the Band to comply and provide such data and to testify as to matters within their knowledge concerning the operation of the gaming enterprise.

(d) Enforcement.

In a manner provided by regulation, the GA may hold hearings, make such findings and issue such orders as may be necessary to enforce the Indian Gaming Regulatory Act, Band Gaming Laws and Regulations, the Compacts, National Indian Gaming Commission Minimum Internal Controls and other applicable law, including, but not limited to: revoking or suspending any license issued to a person, gaming supplier or gaming enterprise; imposing civil fines reasonably proportionate to the activity being punished of up to \$50,000 on a gaming enterprise, \$10,000 on a gaming supplier, \$2,500 on a primary management official and \$500 on a key employee for each violation; and adding persons to a list of persons excluded from gaming enterprises. Any enforcement action taken shall be fair and reasonable under the circumstances, shall be proportionate to the violation, and shall be designed to promote the goals of correction and improvement. Any enforcement action taken by the GA must be related to its gaming regulatory function. Any such enforcement action shall be considered to be a compliance determination and, as such, is appealable pursuant to the regulation. Any license suspension of a key employee or primary management official shall be subject to 15 MLBSA § 308. The GA does not have the authority to close a gaming enterprise without the consent of a majority of the Band Assembly accompanied by further concurrence of the Chief Executive.

(e) Budget.

The GA shall have budget and expenditure authority independent of gaming operations. Funding for the GA shall be permanent, stable and adequate to allow the GA to perform the task of gaming regulation. Such funding for the GA shall be appropriated through the Band's regular appropriation process, and shall not be dependent on the discretion of any management official who is subject to regulation of the GA.

(f) Regulatory Function.

The GA is to serve a regulatory, not an operations function. The scope of the GA's authority is limited strictly to the powers and duties specifically enumerated in Section 2.4 hereof.

2.5 Office of Business Regulation and Compliance; Director of Business Regulation and Compliance.

(a) Creation; Appointment; Removal; Suspension.

There is hereby created the Office of Business Regulation & Compliance (OBR&C), which shall be under the management, and supervision of the Director. The Director, who shall be subject to the same background investigation as primary management officials for purposes of licensure, and shall be appointed by the Corporate Commissioner with the advice and consent of the GA. The Director may be removed by the Corporate Commissioner for cause with approval of the GA, as manifested by the majority vote of the GA. If the Director is charged in a court of competent jurisdiction with a felony, non-traffic related gross misdemeanor or any gambling related crime, the Corporate Commissioner shall immediately suspend the Director until the charges have been resolved. The Director shall possess the following qualifications:

- (1) experience and training in management and regulatory enforcement of sufficient scope, depth and relevance to enable him/her to direct the work of the OBR&C;
- (2) high moral character with no conviction of a felony or any gambling-related offense; and
- (3) free of any conflict of interest created by outside business interests or occupations.

(b) Powers and Duties of the Director.

The OBR&C shall provide staff, administrative and office support for the GA. The Director will report directly to the GA Chairperson in all matters relating to gaming regulation and compliance. The Director may appoint one or more gaming compliance

officers, to whom he or she may delegate certain duties of the Director, and hire such other associates as may be necessary to carry out the Director's duties as set forth herein. The Director shall be responsible for the enforcement of all applicable gaming laws and regulations at all gaming enterprises. The Director shall carry out such investigations as he or she deems necessary for this purpose or as requested by the GA. The Director, or the Director's designees, shall have unrestricted access to all areas, records, files and data of the gaming enterprises in accordance with established regulatory guidelines, and, if the situation warrants it, may interview any associate of a gaming enterprise with respect to matters reasonably related to the regulatory aspects of the operation of a gaming enterprise. The Director shall have access to the results of background investigations carried out pursuant to 15 MLBSA § 303 or the gaming regulations. The Director may investigate any matter within the scope of authority of the GA as described in Section 2.4, including but not limited to the following:

- (1) performing or causing to be performed background investigations necessary to determine if any applicant for a primary management official, key employee or gaming supplier license required by 15 MLBSA, Chapter 4, or the regulations of the GA, meets the applicable licensure criteria; make the initial licensing determination; and assist the GA in defending all decisions where an adversely impacted license applicant files an appeal of such an adverse decision;
- (2) investigating and monitoring all gaming enterprises for compliance with the Indian Gaming Regulatory Act, Band Gaming Laws and Regulations, the Compacts, National Indian Gaming Commission Minimum Internal Controls and other applicable law (i) upon receiving any credible report of a violation or gaming statutes or regulations, or (ii) at random or periodic intervals, with or without prior notification to the management or associates of the subject gaming enterprise;
- (3) investigating all gaming related patron and vendor complaints concerning a gaming enterprise that have not been resolved between the complainant and the gaming enterprise after full exhaustion of attempts to amicably settle the matter and make a compliance recommendation to the GA concerning the matter;
- (4) investigating and monitoring for compliance with all rules concerning charitable gaming;
- (5) at the request of the GA, assisting the GA in:
 - (i) carrying out any authorized enforcement action;
 - (ii) preparing and defending any appeals taken from a compliance determination; and
 - (iii) preparing an annual budget which is to be submitted to the Corporate Commission Board of Directors for approval; and

(6) appointing, managing, directing, supervising and terminating gaming compliance officers and other personnel of the OBR&C.

(c) Powers and Duties of Gaming Compliance Officers.

Gaming compliance officers shall be subject to the same background investigations as key employees and primary management officials under the Mille Lacs Band gaming laws. Gaming compliance officers shall be responsible for carrying out investigations and otherwise assisting the Director in carrying out the Director's duties as provided for in Section 2.5 (b). The Director may delegate to a gaming compliance officer any of the Director's powers and duties except the power to appoint gaming compliance officers.

(d) Compliance Proceedings.

(1) Compliance Recommendations; Director's Duties. The Director shall promptly submit a written compliance recommendation to the GA, the Corporate Commissioner and the Chief Gaming and Resort Operations Officer for each investigation carried out pursuant to Section 2.5(b). In addition, the Director shall simultaneously provide a copy of the compliance recommendation to the following persons:

- (i) the licensee, license applicant, Vice President of Human Resources and Vice President of Security if the compliance recommendation involves an associate license denial, suspension or revocation; and
- (ii) any vendor or patron who is the subject of a compliance recommendation.

The compliance recommendation shall summarize the facts, state whether the documented practices and procedures satisfy the relevant statutes and regulations and recommend appropriate corrective, enforcement or other responsive action. The Director may deny any application for a gaming license for cause at any time during an associate's initial 90-day application approval period. A list of those license applicants so denied will be forwarded as outlined herein for compliance recommendation. Applicants may appeal denials to the OBR&C.

(2) Compliance Recommendations; Compliance Determinations; Gaming Authority's Duties. The GA shall consider compliance recommendations at their regular monthly meetings. In addition to the compliance recommendation, the GA shall consider any oral or written comments offered by the Corporate Commissioner, the Chief Gaming and Resort Operations Officer, the licensee or license applicant involved if the compliance recommendation concerns a denial, suspension or revocation of a license, the vendor or patron involved if the compliance recommendation involved them, or by a person who is under consideration to be named to the exclusion list. The GA may consider any

additional information it determines to be necessary and appropriate in reaching a compliance determination. All information considered by the GA shall become part of the official record of the proceedings. Based on substantial evidence contained in the official record, the GA shall make a written compliance determination by accepting, rejecting or modifying the compliance recommendation. The GA shall clearly state its decision and the reason(s) therefor in every compliance determination. Compliance determinations shall be effective on the date made unless the GA establishes a different effective date. In arriving at any compliance determination, the GA may utilize the services of a hearing examiner to either make a recommendation for a compliance determination or to issue a compliance determination on behalf of the GA.

(e) Regulatory Function. The Office of Business Regulation and Compliance and the Gaming Authority are to serve a regulatory, and not an operations function. As such, the scope of the OBR&C's authority is limited strictly to the powers and duties specifically enumerated in Sections 2.5 (b) and (d) and the GA's authority to those powers and duties specifically granted to it in Section 2.4 hereof.