

**SUPPORTING STATEMENT FOR RECORDKEEPING  
AND REPORTING REQUIREMENTS  
25 C.F.R. § 571, 573, 575, and 577**

**A. Justification**

**1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.**

The Indian Gaming Regulatory Act (25 U.S.C. 2701 et seq., 102 Stat. 2467, Pub. L. 100-497) (IGRA) governs the regulation of gaming on Indian lands. The Act establishes the National Indian Gaming Commission (NIGC or the Commission) with authority to oversee Indian gaming. IGRA sets standards for the regulation of gaming, including requirements for recordkeeping and reporting. Section 2710(b)(2) requires the NIGC Chairman to approve gaming ordinances that contain adequate accounting procedures. Further, the Chairman shall monitor and enforce the regulations and statutory provisions of IGRA. 25 U.S.C. § 2713. Enforcement actions can lead to appeals before the full commission.

**25 C.F.R. § 571.7**

**25 C.F.R. § 571.7** requires Indian gaming operations to keep permanent books of account or records sufficient to establish the amount of gross and net income, deductions and expenses, receipts and disbursements, and other relevant information.

The number of tribal gaming operations has grown throughout the country. Along with the development of a large variety of gaming properties across a wide geographical area, substantial support or secondary service industries have been created to meet the needs of the operations.

However, dynamic growth creates risks. And the industry's continued growth and success is dependent upon strict regulatory oversight, which is a task shared by the tribes and the NIGC.

The NIGC has the regulatory obligation to ensure structured financial reporting systems are in place to provide reliable and timely information to the stakeholders. Only through accountability can we safeguard against internal and external risks. This regulation codifies a set of rules that would satisfy this obligation.

### **25 C.F.R. § 571.12 and § 571.13**

IGRA's section 2710(b)(2)(C) requires the tribes to provide annual outside audits of gaming to the NIGC and requires the Chairman to disapprove any gaming ordinance that does not require tribe to provide these audits.

**25 C.F.R. § 571.12 and § 571.13** implement this statutory provision. Tribes must prepare financial statements in accordance with generally accepted accounting principles (GAAP). GAAP is a technical accounting term that encompasses the conventions, rules, and procedures necessary to define accepted accounting practice. It includes not only broad guidelines of general application but also detailed practices and procedures.

The NIGC receives and analyzes the required filings for a variety of purposes. Data provides information about the industry to the general public and identifies trends and industry norms. From these analyses, the NIGC seeks to identify gaming operations that are noncompliant. The financial data is often the first indicator that an organization is victimized by corrupting influences. The receipt of audited financial statements is vital to the NIGC efficiently and effectively fulfilling its statutory responsibilities.

### **25 C.F.R. § 571.14**

IGRA's section 2710(b)(2)(C) requires the tribes to provide annual outside audits of gaming to the NIGC and requires the Chairman to disapprove any gaming ordinance that does not require tribe to provide these audits.

Section 2717 requires NIGC to establish a schedule of fees that the tribes must pay to the NIGC to fund the agency. 25 C.F.R. § 571.14 implements this requirement. Fees are computed based on quarterly fee reports submitted under 25 C.F.R. Part 514. This regulation requires tribes to reconcile quarterly fee reports with audited financial statements and make this information available to the NIGC.

Because fee payments are based on "assessable gross revenues," which represents a formula developed by the NIGC and not readily reflected in the financial statements, a reconciliation is necessary to provide proof of payment. Although the reconciliation step is necessary for the gaming operator to calculate the fee payment, it is important to the NIGC that the record be maintained and made available to facilitate the performance of compliance audits.

### **25 C.F.R. § 575.5**

The Chairman must protect Indian gaming from organized crime and otherwise assist tribal regulators in ensuring the integrity of gaming and safeguarding of assets. To do this, IGRA's section 2713(a) authorizes the Chairman to assess civil fines, not to exceed \$25,000 per violation, against the owner or operator of a gaming operation for a violation of any provision of the IGRA. 25 C.F.R. § 575.5 permits the respondent, within 15 days after service of a notice of violation to submit written information about the

violation in order that the Chairman may properly determine all of the facts surrounding a violation and the appropriate amount of any civil fine. This is part of the due process the agency provides to the respondent and ensures that the Chairman complies with his statutory duties.

#### **25 C.F.R. § 575.6**

To further protect Indian gaming from organized crime, and further ensure the integrity of gaming and safeguarding of assets, IGRA's section 2713(a) authorizes the Chairman to assess civil fines, not to exceed \$25,000 per violation, against the owner or operator of a gaming operation for violations of the IGRA and the Commission's regulations. **25 C.F.R. § 575.6** provides that, upon written request by a respondent, the Chairman may reduce or waive a penalty if it is determined that the fine is demonstrably unjust. This is part of the respondent's due process and ensures that the Chairman complies with his statutory duties.

#### **25 C.F.R. § 577.3**

To further protect Indian gaming, IGRA provides respondents a right of appeal to the Commission, through a full evidentiary hearing before a neutral official, from certain actions of the Chairman, including, among other things: (1) the Chairman's order of temporary closure of a gaming activity under section 2713; (2) the Chairman's assessment of civil fines under section 2713; and (3) the Chairman's decision to void or modify a management contract subsequent to initial approval under section 2711 of IGRA. **25 C.F.R. § 577.3** provides that a respondent may appeal any of these adverse actions by filing a notice of appeal to the Commission within 30 days after notice of the Chairman's action. Part 577 generally, provides a full administrative appeal which is mandated by IGRA. 25 U.S.C. § 2713(a)(2).

#### **25 C.F.R. § 577.8**

**25 C.F.R. § 577.8** provides that any person submitting a document in an administrative proceeding may request that some or all of the information contained in the document be exempt from disclosure to the parties to the proceeding. This allows the Commission to fully exercise its statutory duties and protect Indian gaming while maintaining full compliance with the Privacy Act and the independent obligation IGRA imposes on the Commission to keep confidential information it obtains. 25 U.S.C. § 2716.

#### **25 C.F.R. § 577.12**

**25 C.F.R. § 577.12** allows persons other than the respondents to request to intervene and participate as a party in an appeal under Part 577. This allows interested parties other than the respondent to fully participate and ensure that the Commission

makes its appellate decisions with the full and informed participation of all parties concerned

### **25 C.F.R. § 577.14(b)**

Again, 25 C.F.R. § 577.3 allows a full evidentiary hearing before a neutral official who will issue a recommended decision. **25 C.F.R. § 577.14 (b)** provides that, within 10 days after the presiding official renders a recommended decision, the parties may file any objections to the recommended decision. This allows respondents full due process while ensuring that the Commission makes fully informed decisions.

**2. Indicate how, by whom, and for what purposes the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.**

### **25 C.F.R. § 571.13**

NIGC funding is derived from the assessment of fees on the gaming tribes and the amount of the fee is based on a determination of gross gaming revenue, which is defined as the amount wagered plus admission fees pertaining to gambling games less amounts paid out as prizes or paid for prizes awarded. Gross gaming revenue is forecast and then a fee rate is identified necessary to generate sufficient funding for the agency's budget. Consequently, obtaining reliable and timely financial information in the form of audited financial statements is necessary to accurately predict future gross gaming revenue of tribal gaming industry. As part of the analysis, the NIGC collects data on the gaming operations, aggregates it, and disseminates the information to the general public. Further, the receipt and review of the audited financial statements, inclusive of management letters, is essential to effectively evaluating the risk posed to the industry by others. Violations may originate from internal and external sources. To the trained analyst, the data provided by the financial statements can reveal operations that possess dysfunctional internal control systems. Consequently, the agency uses the filings to be more efficient and effective in the allocation of its scarce resources.

### **25 C.F.R. § 571.14**

The reconciliation of the quarterly fee reports under 25 C.F.R. Part 514 is necessary for the NIGC to verify the accuracy of the fee payments. Without the reconciliation, it would be difficult for the agency to verify compliance with the regulation.

At Part 514, the regulation identifies a formula that calculates an amount defined as "Assessable Gaming Revenues" (AGR). AGR is equal to gross gaming revenues for the preceding calendar year less an amortization of expenditures for structures, which may be applicable to multiple prior periods. Lacking the reconciling schedule, the NIGC cannot confirm that the proper fee amounts are paid.

### **25 C.F.R. § 575.5**

The regulation allows each respondent the opportunity to submit relevant information regarding a proposed fine assessment. The Chairman reviews the collected information to determine the facts surrounding the violation. This allows the Chairman to consider the amount of the proposed penalty. Without this information, the Chairman would risk making decisions that were not fully informed and failing to protect the integrity of Indian gaming.

### **25 C.F.R. § 575.6**

The Chairman reviews the collected information to determine whether, taking into account exceptional factors present in a particular case, the proposed penalty is demonstrably unjust. This allows the Chairman to consider all available evidence to ensure the right determination under IGRA. Failing to do this, the Chairman could not adequately protect the integrity of Indian gaming and complete his statutory duties.

### **25 C.F.R. § 577.3**

The Commission reviews the respondent's statement on appeal when reviewing a decision of the Chairman. The statement is equivalent to a legal brief. The Commission must review this information as part of its statutory duties and to ensure that the Chairman properly complies with IGRA.

### **25 C.F.R. § 577.8**

The Commission, or a presiding official, will review the request to limit disclosure to determine if the identified information requires protection under the Privacy Act 25 U.S.C. § 2716. The Commission must review the information and protect it accordingly as part of its statutory duties under federal law.

### **25 C.F.R. § 577.12**

The Commission, or a presiding official, will review the request to intervene to determine whether a petitioner should be permitted to participate in an appeal. This kind of intervention allows the Commission to make decisions based upon the fully informed participation of all interested parties.

### **25 C.P.R. § 577.14(b)**

The Commission reviews objections to recommended decisions of the presiding official in order to make fully informed decisions on appeal.

**3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection, techniques or other forms of information technology, e.g. permitting electronic submission of responses, and the basis for the decision for adopting this means of collections. Also describe any consideration of using information technology to reduce burden.**

The information collection does not specifically involve the use of technological collection techniques; however, it should be noted that, except for the most elementary of gaming operations, computerized systems are to varying degrees directly involved in the authorization, recognition, recordation and summarization of transactions and events. However, under the regulations of the NIGC, information may be submitted by compatible automated, electronic, and/or mechanical means.

**4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in item 2 above.**

The required information is unique to each Indian tribe, each gaming operation, or to any particular NOV or appeal. No similar information pertaining to gaming on Indian lands is collected by the Commission or by other federal agencies.

**5. If the collection of information impacts small business or other small entities (Item 5 of OMB Form 83-I), describe any methods used to minimize the burden.**

Not applicable.

Nonetheless, the provisions of the regulation require operations to submit the minimum information that the NIGC requires to fulfill its statutory responsibilities. The audit requirements must apply to all Indian gaming operations, regardless of size. The burden is directly proportional to the economic activity conducted, and those organizations whose resources are more limited feel less impact.

**6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.**

#### 25 C.F.R. § 571.7

Congress established the NIGC to protect this revenue source of tribal governments and to ensure:

- That the industry is shielded from organized crime and other corrupting influences;
- That the tribe is the primary beneficiary of its gaming; and
- That fairness and honesty are the hallmarks of Indian gaming.

Accordingly, the NIGC determined it necessary that basic accounting recordkeeping be employed by the gaming operators to provide for a methodology that would produce reliable financial data in a timely manner. The specific requirements of 25 C.F.R. § 571.7 represent long-established norms of conducting business and are essential to the NIGC being able to fulfill its statutory obligations.

#### **25 C.F.R. § 571.12 and § 571.13**

For NIGC to effectively monitor the individual gaming operations, independent financial audits are necessary. Furthermore, the regulation codifies the accepted practice that accounting records are maintained in accordance with GAAP and that the audits are performed in accordance with GAAS. The organization's fiscal year is the common and logical reporting period for such data. Without the information provided by the submissions, the NIGC would be hampered in its fulfillment of its mission.

#### **25 C.F.R. § 571.14**

The reconciliation of the audited financial statements to the NIGC fee payment represents a task that the tribes would perform, regardless of the subject rule, to ensure the calculation is accurate. Performed annually, the task is one of a nominal nature. The regulation merely requests that the reconciliation be maintained for agency review. The review is necessary to ensure timely and accurate payment of fees.

#### **25 C.F.R. § 575.6**

The Chairman already imposes NOV's and their attendant paperwork burdens as infrequently as possible. Failure to accept requests for waivers of fines would render the Chairman incapable of completing his statutory duties and protecting the integrity of Indian gaming. The Chairman or the Commission would not be making decisions based upon all available evidence, and respondents would lose the opportunity for meaningful redress.

#### **25 C.F.R. § 577.3**

See supporting statement for 25 C.F.R. § 575.6.

#### **25 C.F.R. § 577.8**

See supporting statement for 25 C.F.R. § 575.6.

**25 C.F.R. § 577.12**

See supporting statement for 25 C.F.R. § 575.6.

**25 C.F.R. § 577.14(b)**

See supporting statement for 25 C.F.R. § 575.6.

**7. Explain any special circumstances that would cause an information collection to be conducted in a manner:**

- **requiring respondents to report information to the agency more often than quarterly;**
- **requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**
- **requiring respondents to submit more than an original and two copies of any documents;**
- **requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;**
- **in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;**
- **requiring the use of a statistical data classification that has not been reviewed and approved by OMB;**
- **that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or**
- **requiring respondents to submit proprietary trade secrets, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.**

IGRA, 25 U.S.C. § 2716, requires the Commission to keep confidential trade secrets, privileged or confidential, commercial or financial information, or information related to ongoing law enforcement investigations. 25 U.S.C. § 2716 removes from the Commission any discretion it otherwise would have to disclose information that falls within FOIA exemptions 4 and 7 and requires the Commission to disclose such information only to other law enforcement agencies for law enforcement purposes.

**25 C.F.R. § 571.7**

Under 25 C.F.R. § 571.7 gaming operations are required to maintain financial books and records sufficient to establish the information required under the IGRA and regulation for no less than 5 years. This requirement corresponds to record retention mandated by other federal statutes and regulations, such as Title 31, the Bank Secrecy Act.

**25 C.F.R. § 571.12 and § 571.13**

See general supporting statement. No other exemptions apply.

**25 C.F.R. § 571.14**

See general supporting statement. No other exemptions apply.

**25 C.F.R. § 575.5**

With regard to confidential information, the Commission must ensure that Indian gaming is kept free from criminal influence. To that end, the Commission must require the maintenance and reporting of certain confidential information. The Commission has established a system of records for maintaining and protecting confidential information. However, the Commission will not reveal any personal information of individuals received in connection with a background investigation under the Privacy Act. 5 U.S.C. § 552(a). Further, the Commission will not reveal information that constitutes a trade secret or information connected to an ongoing law enforcement investigation. 25 U.S.C. § 2716 removes from the Commission any discretion it would otherwise have to disclose information that falls within FOIA exemptions 4 and 7 and requires the Commission to disclose such information only to other law enforcement agencies for law enforcement purposes. Information in these categories can become issues during an appeal of the Chairman's decisions or during the reporting of a background investigation. Thus, steps will be taken to protect the information and ensure continual integrity in gaming.

**25 C.F.R. § 575.6**

See statement for 25 C.F.R. §575.5. No other exceptions apply.

**25 C.F.R. § 577.3**

See statement for 25 C.F.R. § 575.5. No other exceptions apply.

**25 C.F.R. § 577.8**

See statement for 25 C.F.R. § 575.5. No other exceptions apply.

**25 C.F.R. § 577.12**

See statement for 25 C.F.R. § 575.5. No other exceptions apply.

**25 C.F.R. § 577.14(b)**

See statement for 25 C.F.R. § 575.5. No other exceptions apply.

**8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 C.F.R. '1320.8(d), soliciting comments on the information collection prior to submission to OMB.**

**Summarize public comment received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden. Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format, (if any), and on the data elements to be recorded, disclosed, or reported.**

**Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every three years -- even if the collection of information activity is the same as prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.**

In April 1992, a pre-proposal draft of the regulation that contains the information collection requirement was circulated to approximately 120 Indian tribes involved in gaming. The pre-proposal draft was also sent to various agencies of the federal government. On August 19, 1992, a proposed rule included a discussion of the provisions and invited the public to comment generally on the form and content of the regulation. The final rule published on January 22, 1993, included a discussion of the requirements along with a response to public comments received.

On October 25, 2000, a notice of intent to seek renewal of the information collection requirements for compliance and enforcement under the IGRA was published in 65 Fed. Reg. 63894 (October 25, 2000). The public comment period closed December 30, 2000. No public comments were received. A small number of gaming tribes were then contacted for comment. No comments of significance were offered on frequency of collection, instructions, or recordkeeping and reporting content and format.

#### **25 C.F.R. § 571.7**

The consensus of those surveyed is that the compilation, maintenance and retention of financial books and records are standard practice carried out in the normal course of business. As such, little or no hour and cost burden was associated with this requirement.

#### **25 C.F.R. § 571.12 and § 571.13**

IGRA's section 2710(b)(2)(C) requires tribes to provide annual outside audits to the NIGC. NIGC received no comments on this section.

**25 C.F.R. § 571.14**

Cost and hour estimates were considered reasonable by those gaming tribes contacted.

**25 C.F.R. § 575.5**

Respondents agreed that this requirement parallels administrative law and federal practices and is necessary to ensure due process. This reporting requirement applies only to those violating IGRA.

**25 C.F.R. § 575.6**

See supporting statement for 25 C.F.R. § 575.5.

**25 C.F.R. § 577.3**

See supporting statement for 25 C.F.R. § 575.5.

**25 C.F.R. § 577.8**

See supporting statement for 25 C.F.R. § 575.5.

**25 C.F.R. § 577.12**

See supporting statement for 25 C.F.R. § 575.5.

**25 C.F.R. § 577.14(b)**

See supporting statement for 25 C.F.R. § 575.5.

**9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.**

Not applicable. The NIGC does not provide any payment or gift to respondents.

**10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.**

With regard to confidential information, the Commission must ensure that Indian gaming is kept free from criminal influence. To that end, the Commission must require the maintenance and reporting of certain confidential information. The Commission has established a system of records for maintaining and protecting confidential information. However, the Commission will not reveal any personal information of individuals received in connection with a background investigation under the Privacy Act. 5 U.S.C. § 552(a). Further, the Commission will not reveal information that constitutes a trade secret or information connected to an ongoing law enforcement investigation. 25 U.S.C. § 2716 removes from the Commission any discretion it would otherwise have to disclose information that falls within FOIA exemptions 4 and 7 and requires the Commission to disclose such information only to other law enforcement agencies for law enforcement purposes. Information in these categories can become issues during an appeal of the Chairman's decisions or during the reporting of a background investigation. Thus, steps will be taken to protect the information and ensure continual integrity in gaming.

**11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.**

Not applicable. No sensitive questions are asked.

**12. Provide estimates of the hour burden of the collection of information. The statement should:**

- **Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.**
- **If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens on Item 13 of OMB Form 83-I.**
- **Provide estimates of annualized costs to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside**

**parties for information collection activities should not be included here. Instead, this cost should be included in Item 14.**

**25 C.F.R. § 571.7**

The NIGC believes that gaming operators will compile and maintain financial books and records in the ordinary course of business. Tribes have accounting processes that provide a method for: (1) recording transactions, (2) keeping financial records, (3) performing internal audits, (4) reporting and analyzing financial information, and (5) advising on compliance with applicable laws and regulations. Thus, the burden is negligible.

**25 C.F.R. § 571.12 and § 571.13**

See item 13.

**25 C.F.R. § 571.14**

The NIGC expects to request 387 respondents to prepare reconciled quarterly fee reports. The burden associated with this requirement is estimated to be 8 hours per respondent at a cost of \$30 per hour for a total of \$120 per operation (4 hours X \$30 = \$120). Hourly rate is based upon accountants' average hourly rate.

**25 C.F.R. § 575.5**

See item 13.

**25 C.F.R. § 575.6**

See item 13.

**25 C.F.R. § 577.3**

See item 13.

**25 C.F.R. § 577.8**

See item 13.

**25 C.F.R. § 577.12**

See item 13

**25 C.F.R. § 577.14(b)**

See item 13

**13. Provide an estimate of the total annual cost burden to respondents or record-keepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).**

- **The cost estimate should be split into two components: (a) a total capital and start-up cost component {annualized over its expected useful life}; and (b) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include description of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities.**
- **If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day, pre-OMB submission public comment process and use existing economics or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.**
- **Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.**

**25 C.F.R. § 571.7**

See item 12.

**25 C.F.R. § 571.12 and § 571.13**

The NIGC estimates that it will cost a gaming operation \$43,000 to contract out for an independent audit. No hour burden was calculated since the audits are usually 'fixed fee' contracts plus travel expenses.

**25 C.F.R. § 571.14**

See item 12.

**25 C.F.R. § 575.5**

If NIGC initiates an enforcement action, the gaming operation's estimated hour burden would be 50 hours and the average cost burden would be \$100.00 per hour for a total of \$5,000.00 per respondent. Hourly rates take into consideration consultation with

outside legal counsel. The NIGC estimates that 10 enforcement actions will be initiated annually.

**25 C.F.R. § 575.6**

If a respondent requests that an assessed civil fine be reduced, it is estimated that it would require 20 burden hours at a cost burden of \$100.00 per hour for a total cost of \$2,000.00 per respondent. Hourly rates take into consideration consultation with outside legal counsel. The NIGC estimates that 10 enforcement actions will be initiated annually.

**25 C.F.R. § 577.3**

If a gaming operation decides to appeal to an enforcement action to the Chairman, it is estimated that such an appeal would require 32 hours at a cost burden of \$100.00 per hour for a total cost of \$3,200.00 per respondent. Hourly rate takes into consideration consultation with outside legal counsel. The NIGC estimates that 10 enforcement actions will be initiated annually.

**25 C.F.R. § 577.8**

If a gaming operation decides to appeal to an enforcement action to the full Commission, it is estimated that such an appeal would require 32 hours at a cost of \$100.00 per hour for a total cost of \$3,200. Hourly rate takes into consideration consultation with outside legal counsel. The NIGC estimates that 10 enforcement actions will be initiated annually, but that only 1 enforcement action will result in appeal to the full commission.

**25 C.F.R. § 577.12**

If a respondent exercises the right to intervene on behalf of another party, it is estimated that the hour burden would be 30 hours at a cost burden of \$100.00 per hour for a total of \$3,000 per respondent. Hourly rates take into consideration consultation with outside legal counsel. The NIGC estimates that 1 respondent(s) will exercise this right, annually.

**25 C.F.R. § 577.14(b)**

If a respondent decides to file an objection to any aspect of the recommended decision, the respondent's estimated hour burden would be 20 hours and the cost burden would be \$100 per hour for a total of \$2,000. Hourly rate takes into consideration consultation with outside legal counsel. The NIGC estimates that 10 enforcement actions will be initiated annually, but that only 1 action would require a respondent to file an objection to a presiding officials recommended decision.

**14. Provide estimate of annualized cost to the Federal Government. Also, provide a description of the method used to estimate cost, which should include quantification**

**of hours, operational expenses (such as equipment, overhead, printing and support staff), and any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 in a single table.**

Based on the workflows of the NIGC, records and functions specific to the receipt, recordation and analysis of submissions have been evaluated and costs and burden hours, inclusive of operational expenses, have been determined.

See chart.

**15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of OMB Form 83-I.**

Because risks to the industry are constantly evolving, the NIGC must be fluid in response. Furthermore, changes in the law have affected the agency's ability to accomplish its mission. However, the Agency believes it can accurately estimate both the number of respondents and the burden of the Agency information collection. The NIGC reviewed data accumulated from internal and external sources to determine the extent of each collection requirement and made the necessary adjustments.

Tribes often conduct gaming at more than one facility, and thus the figures in this report change with the industry expansion.

Fees collected from gaming operations are based on the budget of the Agency but may not exceed .08% of total gross gaming revenue of all gaming operations. The entire focus of the NIGC is on compliance with the requirements of the IGRA. The effort is to monitor and initiate such action as necessary to protect the reputation of the industry and the gaming public.

The narrative paragraphs below show the adjustment for the number of respondents or the respondent's burden. The chart that follows this section shows a summary of the data and the adjustments.

**25 C.F.R. § 571.7**

The number of gaming operations has increased to 387 from the previous estimate of 320. However, the requirement to maintain books and records are administrative functions common to the industry and commerce in general. No additional burden is imposed.

**25 C.F.R. § 571.12 and § 571.13**

The estimated cost to produce the audit has increased to \$43,000 from the previous estimate of \$5,000. Since the number of gaming operations has expanded (320

to 387) and the estimated cost of performing an individual audit has been revised upward, the total cost to the population of respondents increased from \$1,600,000 to \$16,641,000.

Furthermore, the estimated cost of processing the submissions has been increased to recognize the enhanced financial analysis that is now being performed. The adjustment results in six hours per response, which is an increase of two hours. The number of respondents has also increased from 320 to 387. Consequently, the cost to the Agency reflects an increase from \$38,400 to \$69,660.

**25 C.F.R. § 571.14**

Record keeping: The number of respondents has increased because of an increase in the number of gaming operations (320 to 387). The hourly and cost burdens are unchanged.

Reporting: For the respondent, the requirement is to make the record available upon request to an Agency representative. Thus, no other burden is imposed.

**25 C.F.R. § 575.5**

The hours for a respondent to reply to the enforcement action, and the hourly rate involved, remains the same based on agency experience. This produces no cost increase.

**25 C.F.R. § 575.6**

The hours for a respondent to reply to the enforcement action, and the hourly rate involved, remains the same based on agency experience. This produces no cost increase.

**25 C.F.R. § 577.3**

The hours for a respondent to reply to the enforcement action, and the hourly rate involved, remains the same based on agency experience. This produces no cost increase.

**25 C.F.R. § 577.8**

Based on experience, the number of respondents is reduced from 3 to 1 and the total hours from 96 to 32. This produces a cost decrease of \$6,400.

**25 C.F.R. § 577.12**

The hours for a respondent to reply to the enforcement action, and the hourly rate involved, remains the same based on agency experience. This produces no cost increase.

**25 C.F.R. § 577.14(b)**

Based on experience, the number of respondents is reduced from 3 to 1. The total hours are reduced from 60 to 20. This produces a cost decrease of \$4,000.

**16. For collections of information whose results will be published, outline plans for tabulations and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.**

This is an ongoing information collection with no ending date and no plans for publication.

**17. If seeking approval to not display the expiration date for OMB approval of information collection, explain the reasons that display would be inappropriate.**

Not applicable.

**18. Explain each exception to the certification statement in Item 19, "Certification for Paperwork Reduction Act Submission," of OMB Form 83-I.**

Not applicable. The NIGC certifies compliance with 5 C.F.R. § 1320.9.

**B. Collection of Information Employing Statistical Methods.**

This section is not applicable. Statistical methods are not employed.