

**SUPPORTING STATEMENT**  
**FOR RECORDKEEPING AND REPORTING REQUIREMENTS**  
**25 CFR PART 518**

**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 (IGRA or the Act), Public Law 100–497, 25 U.S.C. 2701, *et seq.*, was signed into law on October 17, 1988. The Act established the National Indian Gaming Commission (NIGC or Commission) and set out a comprehensive framework for the regulation of gaming on Indian lands. The Act sets the standards for the regulation of Indian gaming, including a framework for the issuance of certificates of self-regulation for class II gaming operations to tribes that meet certain qualifications. Specifically, 25 U.S.C. 2710(c) authorizes the Commission to issue a certificate of self-regulation if it determines that a tribe has: (i) conducted its gaming activity in a manner that has resulted in an effective and honest accounting of all revenues, in a reputation for safe, fair, and honest operation of the activity, and has been generally free of evidence of criminal or dishonest activity; (ii) adopted and is implementing adequate systems for the accounting of all revenues from the activity, for the investigation, licensing, and monitoring of all employees of the gaming activity, and for the investigation, enforcement, and prosecution of violations of its gaming ordinance and regulations; and (iii) conducted the operation on a fiscally and economically sound basis. The Act also authorizes the Commission to “promulgate such regulations and guidelines as it deems appropriate to implement” IGRA. 25 U.S.C. 2706(b)(10). Part 518 of title 25, Code of Federal Regulations, implements these statutory requirements.

## **25 CFR §§ 518.3(e) and 518.4**

Amongst other conditions, in order for a tribe to be eligible to petition the Commission for a certificate of self-regulation of class II gaming, 25 CFR § 518.3(e) requires a tribe's gaming operation(s) and the tribal regulatory body (TRB) to have kept all records needed to support the petition for self-regulation for the three years immediately preceding the date of the petition submission.

In addition, 25 CFR § 518.4 requires a tribe petitioning for a certificate of self-regulation to submit the following to the Commission, accompanied by supporting documentation: (i) two copies of a petition for self-regulation approved by the tribal governing body and certified as authentic by an authorized tribal official; (ii) a description of how the tribe meets the eligibility criteria in § 518.3; (iii) a brief history of each gaming operation, including the opening dates and periods of voluntary or involuntary closure(s); (iv) a TRB organizational chart; (v) a brief description of the criteria that individuals must meet before being eligible for employment as a tribal regulator; (vi) a brief description of the process by which the TRB is funded, and the funding level for the three years immediately preceding the date of the petition; (vii) a list of the current regulators and TRB employees, their complete resumes, their titles, the dates that they began employment, and if serving limited terms, the expiration date of such terms; (viii) a brief description of the accounting system(s) at the gaming operation that tracks the flow of the gaming revenues; (ix) a list of the gaming activity internal controls at the gaming operation(s); (x) a description of the recordkeeping system(s) for all investigations, enforcement actions, and prosecutions of violations of the tribal gaming ordinance or regulations, for the three-year period immediately preceding the date of the petition; and (xi) the tribe's current set of gaming regulations, if not included in the approved tribal gaming ordinance.

## 25 CFR § 518.10

Section 518.10 requires each Indian gaming tribe that has been issued a certificate of self-regulation to submit to the Commission the following information by April 15th of each year following the first year of self-regulation, or within 120 days after the end of each gaming operation's fiscal year: (i) an annual independent audit; and (ii) a complete resume for all TRB employees hired and licensed by the tribe subsequent to its receipt of a certificate of self-regulation.

- 2. Indicate how, by whom, and for what purpose 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.**

The Commission uses the records maintained and the information submitted with a tribe's petition to determine whether a tribe has met the statutory criteria for the issuance of a certificate of self-regulation. In addition, the Commission uses the annual independent audits and the resumes for all TRB employees in order to monitor a tribe's ability to continue to meet the criteria for maintaining its certificate of self-regulation.

- 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 collection. Also describe any consideration of using information technology to reduce burden.**

While tribes must submit two copies of their petitions in paper form, Commission regulations allow them to maintain and/or submit other types of information to the Commission by compatible automated, electronic, and/or mechanical means, including e-mail.

- 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 information required to be maintained and/or submitted to the Commission is unique to each Indian tribe and each gaming operation. No similar information pertaining to gaming on Indian lands is collected by the Commission or by any other federal agencies.

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

Not applicable. Nonetheless, Commission regulations require operations to submit the minimum amount of information that the Commission requires to fulfill its statutory responsibilities.

**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.**

Amongst other purposes, Congress enacted IGRA and established the Commission to ensure that:

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

However, Congress also recognizes that Indian tribes are sovereign entities, capable of self-government. Thus, the reason that IGRA provides a framework for the issuance of certificates of self-regulation to tribes that meet certain conditions and if the Commission makes certain determinations that a tribe has: (i) conducted its gaming activity in a manner that has resulted in an effective and honest accounting of all revenues, in a reputation for safe, fair, and honest operation of the activity, and has been generally free of evidence of criminal or dishonest activity; (ii) adopted and is implementing adequate systems for the accounting of all revenues from the activity, for the investigation, licensing, and monitoring of all employees of the gaming activity, and for the investigation, enforcement and prosecution of violations of its gaming

ordinance and regulations; and (iii) conducted the operation on a fiscally and economically sound basis.

Petitioning the Commission for a certificate of self-regulation is voluntary. Once a certificate of self-regulation has been issued, however, the submission of the annual independent audits and resumes become mandatory. If these information collections are not conducted, the Commission will not be able to effectively determine a tribe's ability to self-regulate and thus not be able to fulfill its statutory duty to issue certificates of self-regulation to tribes that qualify, or to ascertain a tribe's continued ability to maintain a certificate of self-regulation.

**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 document;**
- **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.**

Not applicable.

**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 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments 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 3 years - even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.**

On July 8, 2013, a notice containing the information collection renewals was published in the Federal Register allowing the public an opportunity to comment on the requirements. (78 FR 40766, July 8, 2013). The public comment period closed on September 6, 2013. No public comments were received.

The Commission contacted the only two tribes that have received certificates of self-regulation since the year 2000, and laid out the recordkeeping and submission requirements contained in its revised self-regulation rules, but did not provide its own estimates to the tribes. The Commission asked the tribal gaming commissions and/or tribal gaming operators to provide annual hourly estimates required to perform the tasks, as well as any cost estimates. The average burden hours per response and average annual costs in this information collection were provided by these two tribes. The Commission has adjusted the estimates accordingly.

**9. Explain any decision to provide any payment or gift to respondents, other than reenumeration 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.**

The Act requires the Commission to keep confidential trade secrets, privileged or confidential, commercial or financial information, or information related to ongoing law enforcement investigations. Section 2716 of title 25, United States Code, 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.

In addition, pursuant to the Privacy Act, the Commission has established a system of records for maintaining and protecting personal information of individuals received in connection with a self-regulation petition. The Privacy Act prevents the Commission from revealing such personal information.

**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 in Item 13 of OMB Form 83-I.**
- **Provide estimates of annualized cost 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 13.**

The table below shows the Commission’s estimated hourly burdens and the hourly cost burdens for respondents. The average hours per response and average hourly rates were provided by the tribal gaming commissions and/or tribal gaming operators.

**ESTIMATED ANNUAL BURDEN HOUR TOTALS**

CFR CITE/ COLLECTION	NUMBER OF ANNUAL RESPONDENTS	FREQUENCY OF RESPONSES PER YEAR	TOTAL ANNUAL RESPONSES	AVERAGE HOURS PER RESPONSE	AVERAGE HOURLY RATE	TOTAL HOURS	TOTAL WAGES
518.3(e); 518.4	2	1	2	1,940	\$18	3,880	\$69,840
518.10(a)	2	1	2	102.5	\$39	205	\$7,995
518.10(b)	4	1	4	0.75	\$34	3	\$1,530
<b>TOTAL</b>	<b>8</b>		<b>8</b>			<b>4,088</b>	<b>\$77,937</b>

**13. Provide an estimate for the total annual cost burden to respondents or recordkeepers 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 descriptions 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 collections 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 economic 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.**

The majority of the dollar cost for this information collection (\$172,150) is the estimated total amount that the tribes will pay to engage independent CPA firms to provide an annual audit of the financial statements of each of their class II and class III gaming operation. The remaining, unspecified total costs were based on tribal feedback.

**ESTIMATED ANNUAL COST TOTALS**

CFR CITE/ COLLECTION	NUMBER OF ANNUAL RESPONDENTS	FREQUENCY OF RESPONSE PER YEAR	TOTAL ANNUAL RESPONSES	AVERAGE ANNUAL COSTS	TOTAL COSTS
518.3(e); 518.4	2	1	2	\$0	\$0
518.10(a)	2	1	2	\$86,075	\$172,150
518.10(b)	4	1	4	\$75	\$300
<b>TOTAL</b>	<b>8</b>		<b>8</b>		<b>\$172,450</b>

**14. Provide estimates of annualized costs 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 may also aggregate cost estimates from Items 12, 13, and 14 in a single table.**

The Commission determined its cost and burden hour estimates, inclusive of operational expenses, based on the workflows of the agency, and the functions specific to the receipt, recordation, and analysis of the submissions. As a general matter, the cost rate was based upon the hourly rate of personnel assigned to task. Support services are included in cost estimates.

**ESTIMATED ANNUAL AGENCY BURDEN TOTALS**

CFR CITE/ COLLECTION	NUMBER OF ANNUAL RESPONDENTS	FREQUENCY OF RESPONSE PER YEAR	TOTAL ANNUAL RESPONSES	REVIEW HOURS PER RESPONSE	TOTAL HOURS	HOURLY RATE	TOTAL AGENCY COSTS
518.3(e); 518.4	2	1	2	216	432	\$60	\$25,920
518.10(a)	2	1	2	48	96	\$69	\$6,624
518.10(b)	4	1	4	1	4	\$50	\$200
<b>TOTAL</b>	<b>8</b>		<b>8</b>		<b>532</b>		<b>\$32,744</b>

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

The Commission has made several program changes:

- (i) with regard to §§ 518.3(e) and 518.4, because no other tribes had received certificates of self-regulation since 2000, the Commission did not previously expect any more tribes to submit petitions for self-regulation. Thus, the Commission estimated zero (0) burden hours in its previous approved information collection. However, the Commission recently amended part 518 with the revised regulations effective as of September 1, 2013. As a result, the Commission expects that the revised regulations will cause other tribes to petition the Commission for certificates of self-regulation. This program change has resulted in an increase in the number of estimated annual responses (by 2 more annual responses), and an increase in the number of estimated burden hours (by 3880 more hours) compared to the previous total estimate;
- (ii) with regard to § 518.10(a), the Commission previously included the burden estimates and costs for self-regulated tribes' requirement to submit an annual independent audit under another approved information collection (3141-0001). The Commission has decided to transfer those burden estimates and costs into the current request. This program change has resulted in an increase in the number of estimated responses annually (by 2 more annual responses), an increase in the number of estimated burden hours (by 205 more hours) and in an increase in the cost estimate (\$172,150 total to hire outside certified public accounting firms to conduct independent audits) compared to the previous total estimate; and

(iii) with regard to § 518.10(b), because the Commission expects that at least two more tribes will take advantage of the revised part 518 and will be granted certificates of self-regulation, the Commission has increased: (i) the estimated number of respondents and annual responses (from 2 to 4); and (ii) the cost estimate (from \$0 to \$300). In addition, because revised part 518 is limiting the submission of resumes to those of tribal regulatory body employees only, and because tribes are no longer required to submit annual statements on the usage of their net gaming revenues, the Commission has decreased the number of estimated burden hours (from 100 to 3).

**16. For collections of information whose results will be published, outline plans for tabulation 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.**

These are ongoing information collections with no ending date and no plans for publication.

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

Not applicable.

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

Not applicable. The Commission certifies compliance with 5 CFR §1320.9.

**B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS**

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