Indian Gaming: Misconception vs. Fact

by Ernest L. Stevens, Jr.

The National Indian Gaming Association (NIGA) celebrates our 30th year in 2015. To say that Indian gaming has come far in 30 years would be an understatement. Tribal governments opened the first contemporary Indian gaming operations in the late 1960s and early 1970s. Since those openings, Indian gaming revenues have helped tribal governments begin to rebuild all but forgotten Native communities.

However, despite these gains, the Indian gaming industry continues to face naysayers and denialists that ignore basic facts about Indian gaming and attempt to re-write history.

The late New York Senator Daniel Patrick Moynihan was attributed with saying, “Everyone is entitled to his own opinion, but not his own facts.” That quote sadly rings true in some circles and reminds us of the consistent need to educate policymakers and the public about Indian gaming.

Despite constant education efforts, many of the myths and misconceptions that were leveled against Indian gaming in the beginning continue to live on today. The most common misunderstandings are related to the origins of Indian gaming, the uses of gaming revenues, who actually benefits from Indian gaming operations, and Indian gaming regulation.

As a result, I would like to address some of these misconceptions about Indian gaming and restate the facts about our proud industry.

M misconception #1: Indian gaming is a benefit program created by the Government for Indians.

Fact: Indian gaming was wholly envisioned and developed by tribal governments. Indian gaming is Native Nation self-determination.

The first misconception about Indian gaming is that the Indian Gaming Regulatory Act (IGRA) was a gift from the federal government that authorized tribes to conduct gaming. Nothing could be further from the truth.

Indian gaming is the quintessential mark of tribal self-determination. Contemporary Indian gaming stems from the local decision-making of tribal leaders who had the vision of determining the future of their communities.

In the late 1960s and early 1970s, several tribal leaders – growing tired of waiting for the United States to uphold its treaty and trust obligations to fund Indian health, education and other essential services – took matters into their own hands and opened high stakes bingo operations on their lands to generate revenue to fund tribal programs and infrastructure.

State governments and commercial gaming corporations brought legal challenges against these acts of tribal self-governance. These legal challenges were brought to a head in the 1987 U.S. Supreme Court decision of California v. Cabazon Band of Mission Indians, where the Court acknowledged and affirmed the constitutional and inherent authority of tribes to conduct gaming on Indian lands.

However, one year later in 1988, due to steady and heavy lobbying by states and commercial gaming interests, Congress enacted IGRA as a means of imposing federal regulations on Indian gaming and, through the compacting process, providing state governments with a say in Class III Indian gaming operations.

While Indian Country did not support IGRA, more than 240 tribal governments have made the Act work to benefit their communities. Indian gaming is working to positively rebuild tribal communities.

M misconception #2: Indian gaming is commercial gaming, and the profits go to individuals and corporations.

Fact: Indian gaming is operated by tribal governments, and revenues – by law – must go to fund tribal government programs and the improvement of Native communities.

Just as state governments use lotteries and other gaming revenues to support programs and services to state citizens, tribal governments have employed Indian gaming to generate revenue for their communities. IGRA mandates that tribal gaming revenues be used for one of five purposes: strengthening tribal governments; promoting the general welfare of Native communities; economic development; charitable contributions; and funding local government operations and services. Based on the unique needs of each tribe, tribal governments determine how gaming proceeds are to be spent within these parameters.

For more than 40 years, Indian tribes have used gaming revenues to improve health care, education, elder care, public safety and other basic government services. Indian gaming revenues are also putting a new face on our communities by helping build roads, water and communications infrastructure, schools, health centers, community and cultural centers and much more.

From the late 1800s through the mid-1900s, federal policies of Assimilation and Relocation sought to suppress Native culture. The Assimilation policy (1870s – 1930s) authorized the taking of Native children from their families, forcing them into government boarding schools – where they were forbidden from speaking their language or practicing their religion or culture. The Relocation policy (1950s-60s) sought to move individual Indians from their homelands to U.S. cities. Indian gaming has worked to begin to reverse the adverse impacts of these policies.

In addition to rebuilding our communities, Indian gaming revenues are helping protect and preserve our cultures. Gaming revenues are fostering programs designed to save our endangered Native languages. Cultural preservation is one of
the most valued aspects of the Indian gaming success story. Our cherished stories are of whom we are, where we come from, what we have contributed to the tapestry of life and where we will be going in the future. In addition, Indian gaming is creating job opportunities and bringing entire families back to Indian Country.

**Misconception #3:** Indian gaming has made all Native Americans wealthy.

**Fact:** The majority of Indian gaming operations serve to provide jobs and fund the most basic services. Many Native communities continue to struggle with social problems rooted in past failed federal policies.

Has Indian gaming solved all of Indian Country’s problems? No – after centuries of war, genocide, mistreatment, land and property takings, and cultural and religious oppression, many struggles remain. Some tribal communities continue to face unemployment rates that exceed 50% and higher.

Yet, objective observers acknowledge the amazing positive impacts that Indian gaming has had on tribal communities. While most rural Native communities continue to struggle with poverty, the rural tribes that do employ Indian gaming have the highest percentages of employment of local Native Americans at their operations.

Indian gaming is first and foremost about job creation. In 2014 alone, Indian gaming delivered over 678,000 direct and indirect American jobs. Indian gaming has provided many Native Americans with their first opportunity to work at home on the reservation. Because of Indian gaming, reservations are again becoming livable homes, as promised in hundreds of treaties. These American jobs go to both Indians and non-Indians alike. Throughout the recession, Indian gaming continued to create jobs and revenues and saved public service jobs for many local governments. Without question, we are putting people to work.

**Misconception #4:** American Indians don’t pay taxes and Indian gaming drains and does not contribute to local economies.

**Fact:** American Indians are American citizens who pay taxes. Indian gaming generates billions in federal, state and local tax revenue, revenue sharing, and charitable contributions.

Another misconception by the deniers is that tribal governments do not "pay their fair share" and that individual Indians do not pay taxes. As with the other myths about Indian gaming, this statement patently ignores the law and the facts.

The U.S. Constitution acknowledges that Indian tribes are separate governments, not subject to taxation by any other sovereign. The most fundamental rule of law is that governments do not tax other governments. Thus, just as tribal governments do not tax state lottery receipts, IGRA acknowledges that state governments cannot impose taxes on Indian gaming revenues.

However, Indian gaming does indirectly generate tax income for federal, state and local governments. In 2013, Indian gaming generated over $13.6 billion for federal, state and local government budgets through compact and service agreements, indirect payment of employment, income, sales and other state taxes, and reduced general welfare payments.

In addition, individual Indians pay federal income taxes, the people who work at casinos pay taxes, and those who do business with tribal casinos pay taxes.

Finally, tribal governments also made more than $100 million in charitable contributions to other tribes, nearby state and local governments, and non-profits and private organizations. Through these contributions, Indian gaming revenues saved thousands of jobs for American health care workers, fire fighters, police officers, and many other local officials that provide essential services through the recession.

**Misconception #5:** Indian gaming is an unregulated magnet for organized crime.

**Fact:** Indian gaming is the most highly regulated form of gaming in the United States, subject to checks and balances of regulation from tribal, federal and state governments.

One of the earliest and most common lies about Indian gaming is that tribal gaming operations are unregulated. It is unfathomable that these claims continue to be lodged against Indian gaming in 2015. These lies disparage the work that tribal, federal and state regulators do every day to protect the integrity of tribal gaming operations, and they ignore and disrespect the huge investments that tribal leaders dedicate to Indian gaming regulation.

In 2013, tribes spent more than $422 million on tribal, state, and federal regulation, and employed more than 6,500 tribal, state and federal regulators. Tribal regulators bring expertise from federal and state law enforcement, the U.S. military, as well as from financial institutions and state and commercial gaming operations. The sheer numbers and resources dedicated to Indian gaming regulation far outpace our state and commercial gaming regulatory counterparts.

Despite these common misconceptions, our education efforts are working and the benefits of Indian gaming are resonating throughout the Nation. The majority of Americans and American policymakers understand the truth about Indian gaming and support our industry.

However, there will always be a minority of folks that refuse to accept the facts, deny the true benefits of Indian gaming, and hold on to an inherent bias against Indian tribes and Native people. NIGA will continue to engage these and others that seek to misappropriate the facts.

As Chairman of NIGA and spokesman for the Indian gaming industry, I will never tire of telling our story and spreading the truth about Indian gaming. ♦

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