

# National Indian Gaming Commission

---

## NOTICE OF VIOLATION

---

NOV-19-02

To: Lewis Taylor, Chairman  
St. Croix Chippewa Indians of Wisconsin  
24663 Angeline Ave  
P.O. Box 45287  
Webster, WI 54893

Jeff Taylor, Chairman  
St. Croix Gaming Commission  
24663 Angeline Ave  
P.O. Box 45287  
Webster, WI 54893

Regulatory Processing and Licensing Office  
St. Croix Chippewa Indians of Wisconsin  
24663 Angeline Ave  
P.O. Box 45287  
Webster, WI 54893

### I. Notice of Violation

The Chairman of the National Indian Gaming Commission (NIGC) hereby gives notice that the St. Croix Chippewa Indians of Wisconsin (Respondent or Tribe), headquartered in Burnett County, Wisconsin, is in violation of the Indian Gaming Regulatory Act (IGRA), NIGC regulations, and its tribal gaming ordinance, because the Tribe used net gaming revenue for purposes other than those permitted by IGRA, NIGC regulations, and the Tribe's gaming ordinance.

Normally, the Chairman issues a Letter of Concern under 25 C.F.R. § 573.2 prior to bringing an enforcement action. In this case, however, given the pervasiveness and serious nature of the violations, coupled with the fact that many of the individuals identified in the NOV are still in a

position to direct casino and net gaming revenues, the Chair has decided to proceed directly with a Notice of Violation (NOV).

## II. Authority

- A. The Chairman of the NIGC may issue an NOV to any person for violation of any provision of the Indian Gaming Regulatory Act, NIGC regulations, or any provision of a tribal gaming ordinance or resolution approved by the Chairman. 25 U.S.C. § 2713; 25 C.F.R. § 573.3.
- B. The Chairman shall have authority to levy and collect appropriate civil fines, not to exceed \$52,596 per violation, against the tribal operator of an Indian game or a management contractor engaged in gaming for any violation of any provision of this Act, any regulation prescribed by the Commission pursuant to this Act, or tribal regulations, ordinances, or resolutions approved under the Act. 25 U.S.C. § 2713(a)(1); 25 C.F.R. § 575.4.

## III. Applicable Federal and Tribal Laws

- A. 25 U.S.C. §§ 2710(b)(2)(B) and 2710(d)(1)(A)(ii); 25 C.F.R. §§ 522.4(b)(2) and 522.6(b) – net gaming revenue from Class II and III operations may only be used for the following purposes: (1) to fund tribal government operations and programs; (2) to provide for the general welfare of the Indian tribe and its members; (3) to promote the tribal economic development; (4) to donate to charitable organizations; (5) to help fund operations of local government agencies.
- B. St. Croix Chippewa Indians of Wisconsin Gaming Ordinance § 4(a), approved by NIGC Chairman Harold A. Monteau, March 23 1995 (unaffected by amendments pursuant to Resolution No. 10-25-06-01, approved by Philip N. Hogen, October 27, 2006) – net gaming revenue from Class II and III operations may only be used for the following purposes: (1) to fund tribal government operations and programs; (2) to provide for the general welfare of the Indian tribe and its members; (3) to promote the tribal economic development; (4) to donate to charitable organizations; (5) to help fund operations of local government agencies.
- C. 25 U.S.C. § 2710(b)(2)(D); 25 C.F.R. § 522.4(b)(4) – all contracts for supplies, services, or concessions for a contract amount in excess of \$25,000 annually (except contracts for professional legal or accounting services) relating to such gaming shall be subject to such independent audits.

- D. St. Croix Chippewa Indians of Wisconsin Gaming Ordinance § 5(b), approved by NIGC Chairman Harold A. Monteau, March 23 1995 (unaffected by amendments pursuant to Resolution No. 10-25-06-01, approved by Philip N. Hogen, October 27, 2006): “All gaming related contracts that result in the purchase of supplies, services, or concessions in excess of \$25,000 annually . . . shall be included within the scope of the [annual] audit . . . .”
- E. 25 C.F.R. § 571.7(a) – A gaming operation shall keep permanent books of account or records, including inventory records of gaming supplies, sufficient to establish the amount of gross and net income, deductions and expenses, receipts and disbursements, and other information required in any financial statement, report, or other accounting prepared pursuant to the Act or this chapter.
- F. 25 U.S.C. § 2710(b)(3); 25 C.F.R. § 290.6 – Net revenues from gaming activities conducted or licensed by any Indian tribe may be used to make per capita payments to members of the Indian tribe only if the tribe has prepared a plan to allocate revenues to the five permitted uses found in 25 U.S.C. § 2710(b)(2)(B). That plan must be approved by the Secretary of the Interior as adequate, particularly with respect to the uses described in clause (i) or (iii) of § 2710(b)(2)(B).
- G. 2010 Revenue Allocation Plan of St. Croix Chippewa Indians of Wisconsin (St. Croix RAP) §§ 1.1 and 1.2(b): “The Tribal Council of the St. Croix Chippewa Indians of Wisconsin adopted the RAP pursuant to IGRA to allocate and manage the Tribe’s economic resources derived from the Gaming Operations.”
- H. 2010 Revenue Allocation Plan of St. Croix Chippewa Indians of Wisconsin § 5.1: “Net Gaming Revenues allocated for Per Capita Payments with respect to any Per Capita Payment Period shall be distributed . . . in equal shares to Eligible Adults . . . [and] in equal shares to Eligible Minors of the same number of whole years of age . . . .”

#### IV. Circumstances

The purpose of IGRA is, in part, to provide a statutory basis for the operation of gaming by tribes as a means to promote tribal economic development, self-sufficiency, and strong tribal governments. It is also to ensure that Indian tribes *as a whole* are the primary beneficiary of gaming revenue. To achieve that purpose, IGRA permits a Tribe to use its net gaming revenue for the five purposes listed above in paragraph 3(A).

## A. Uses of Net Gaming Revenue

In furtherance of the goals of self-sufficiency and economic development, IGRA and NIGC regulations restrict net gaming revenues to five broad purposes:

1. to fund tribal government operations and programs;
2. to provide for the general welfare of the Indian tribe and its members;
3. to promote the tribal economic development;
4. to donate to charitable organizations; and
5. to help fund operations of local government agencies

The Tribe's gaming ordinance, § 4(a), mirrors these restrictions on use of gaming revenues.

NIGC regulation 25 C.F.R. § 502.16 defines *net revenues*:

*Net revenues* means gross gaming revenues of an Indian gaming operation less— (a) amounts paid out as, or paid for, prizes; and (b) total gaming-related operating expenses, including all those expenses of the gaming operation commonly known as operating expenses and non-operating expenses consistent with professional accounting pronouncements, excluding management fees.

Throughout the review period, the gaming operation issued numerous checks to individuals and entered them into the accounting system as expenses to the operation. Many of the payments—worth hundreds of thousands of dollars—were issued to the same small group of people, often with the only supporting document being a request for disbursement form with the words “travel” or “consulting fees” scrawled into the comments section. Upon further questioning by NIGC investigators, the Tribe was unable to produce documentation to support treating the payments as expenses of the gaming operation.

Absent some evidence that the payments were related to the income being produced by the gaming operation, they are not considered operating expenses of the gaming operation. Therefore, the amounts should have been included in the operation's net revenues. Properly categorized as net revenues, the payments discussed herein are subject to IGRA and NIGC restrictions on their use.

## B. Government Programs and Per Capita payments

Government programs are set up to serve one or more needs or requirements of the tribal community. A fundamental part of any government program is the criteria established to determine which tribal members are eligible to participate in a program. The criteria are

tied to the needs and requirements of the tribal membership, and are often tied to income levels and the financial needs of a group of members. Criteria can be based on needs other than financial ones, however, such as educational, medical, or housing needs. *See* NIGC Bulletin No. 05-01.

When tribes establish government programs to benefit individual members, those programs should: 1) be created in response to a recognized need within the tribal community; 2) have written eligibility criteria to determine which members qualify to participate in the program; and 3) not discriminate by including some members and excluding others without reasonable justification. Payments made and services offered should be made equally available to all those who meet program standards. *Id.*

Per capita payments are permitted by IGRA. Section 2710(b)(3) of IGRA states that net gaming revenue may be used to make per capita payments to tribal members only if the tribe has adopted a revenue allocation plan (RAP) approved by the Secretary of the Interior. The RAP is designed to protect IGRA's policy of promoting *tribal* economic development, self-sufficiency, and government by ensuring that any per capita payment leaves a significant share of net gaming revenues for economic development and governmental purposes. *See* 25 U.S.C. 2710(b)(3)(B) (requires that "the [Revenue Allocation] plan is approved by the Secretary as adequate, particularly with respect to uses described in clause (i) or (iii) of [25 U.S.C. 2710(b)(2)(B)). It also ensures that per capita payments are made equally to all tribal members or a particular group of members. *See* 25 C.F.R. part 290 (defining *per capita payment* as "the distribution of money or other thing of value to all members of the tribe, or to identified groups of members ...").

Per capita payments made to individual tribal members on an ad-hoc basis, outside the scope of a RAP, or payments to individual members not made pursuant to a government program divert money from the tribe as a whole and thereby frustrate IGRA's policy of ensuring that the entire tribe benefit from tribal gaming, rather than select individuals. More to the point here, such payments are an impermissible use of net revenue and a violation of IGRA.

The current St. Croix Chippewa Indians of Wisconsin RAP was approved by the Department of the Interior on January 14, 2011. As required by IGRA, the Tribe's RAP specifies the percentage of net revenue to be used for per capita payments and reserves the rest for government operations, general welfare, and economic development. St Croix RAP § 3.2. While the Tribe makes authorized per capita payments pursuant to the RAP, it has also made several payments to individuals outside the scope of the RAP and, therefore, in violation of IGRA.

As described below, these additional per capita payments were made under the pretense of delivering services pursuant to a tribal program or, in some cases, without any pretense at all. Many of the “programs” used to justify the distributions had no written criteria or guiding procedures and, as a consequence, are not bona-fide programs. For example, the gaming operation has issued educational payments for a member with no written criteria and on an impromptu basis without any discernible standard and without requiring any proof that the event actually took place.

In other instances, the Tribe simply decided to give money to a tribal member with complete disregard for IGRA’s net revenue requirements. Regardless of how the disbursements were made or labeled, they are per capita payments made outside the scope of the RAP and are a violation of IGRA.

### C. Economic Development

Besides Tribal Programs, net gaming revenue may also be used for economic development. IGRA not only permits, but encourages gaming dollars to be spent in furtherance of economic development.

In several instances, the gaming operation issued substantial payments to consultants and businesses without a contract, record, or even a later recollection of the goods or services provided in exchange. Moreover, where the payments totaled more than \$25,000 in a given year, the Tribe also failed to have those contracts independently audited in accordance with 25 U.S.C. § 2710(b)(2)(D).

Where payments are made with no articulable expectation of return value for the Tribe, they cannot be said to be economic development.

## V. Violations

### A. Violation 1

1. On June 5, 2015, St. Croix Casino Turtle Lake EDC issued check number 172504 in the amount of \$5,000 to Tribal Council member Elmer “Jay” Emery.
2. The corresponding Request for Disbursement Form, dated June 5, 2015, stated “Loan to tribal member Elmer Emery. Elmer will be using a 2014 Ford Escape as collateral, vehicle information to follow.”
3. On June 5, 2015, a loan agreement was drafted and signed by General Manager Leva Oustigoff stating; “a \$5,000 loan is approved an[d] extended to Tribal Member Elmer Emery. Mr. Emery will use his personal vehicle a 2014, Ford Escape SUV as collateral. Vehicle information will be added to this letter at a later date. Mr. Emery

- will begin repayment of \$5,000 on (to be determined). A check in the amount of \$5,000 will be written to Elmer Emery on June 5, 2015.”
4. The contract did not contain Elmer Emery’s signature acknowledging the terms of the agreement.
  5. No further information on the collateral vehicle was recorded.
  6. The payment was debited to the gaming operation’s Donations Payable account.
  7. On December 5, 2018 the Tribe stated, through its counsel, that “the Tribe does not have an official loan program, however, the [casino] CEO had standing authority to approve expenditures up to \$30,000 without Tribal Council review. The CEO used that authority to create an informal loan program.
  8. As evidenced by a December 5, 2018 communication from the Tribe’s counsel, there is no documentation for application or approval of Elmer Emery’s loan.
  9. The loan program was not authorized by the Tribe and there was no criteria or application required for the informal loan program.
  10. The Tribe did not require Elmer Emery to repay the loan and no payments are recorded.
  11. There is no evidence that the payment is a legitimate operating expense consistent with professional accounting pronouncements. Therefore, it must be added back into net revenues, the spending of which is limited by IGRA, NIGC regulations, and the Tribe’s gaming ordinance.
  12. A grant of \$5,000 to a tribal member made outside the scope of a legitimate tribal government program is not a permissible use of net gaming revenue.
  13. The payment was not made pursuant to the Tribe’s RAP and does not fall within any of the uses of net gaming revenue categories permitted by IGRA, NIGC regulations, or the Tribe’s gaming ordinance.
  14. It is an improper use of net revenue and, therefore, a violation of IGRA, NIGC regulations, and the Tribe’s gaming ordinance.

B. Violations 2 through 6

1. On May 31, 2017 St. Croix Casino Turtle Lake EDC issued check number 185445 to Elmer “Jay” Emery in the amount of \$3,000, debited to the gaming operation’s A/R Tribal account. The corresponding Request for Distribution form cited “Building Supplies” as the reason for payment.
2. On December 17, 2015, St. Croix Casino Turtle Lake EDC issued check number 175801 to Lawrence Larsen in the amount of \$10,000, debited to the gaming operation’s Donations Payable account. The corresponding Request for Disbursement form cited “equipment purchase” as the reason for payment.
3. On the following dates, St. Croix Casino Turtle Lake EDC issued the following checks to Lawrence Larsen, totaling \$24,000, debited to the gaming operation’s A/R

Tribal account. The corresponding Request for Disbursement forms cited “building supplies” as the reason for payment.

- a) February 6, 2017, check number 183297 in the amount of \$16,000;
  - b) February 28, 2017, check number 183581 in the amount of \$4,000;
  - c) March 1, 2017, check number 183585 in the amount of \$4,000;
4. No proofs of purchase, invoices, or receipts are available for any of the checks identified in the above items.
  5. The Tribe does not know the location of any supplies or equipment that may have been purchased with the above listed funds.
  6. Without proper support, such as receipts or location of the supplies or equipment, there is no evidence that these payments are legitimate operating expenses consistent with professional accounting pronouncements. Therefore, they must be added back into net revenues, the spending of which is limited by IGRA, NIGC regulations, and the Tribe’s gaming ordinance.
  7. The payments were not made pursuant to the Tribe’s RAP and there is no evidence to suggest that they fall within any of the uses of net gaming revenue categories permitted by IGRA, NIGC regulations, or the Tribe’s gaming ordinance.
  8. Each payment is an improper use of net revenue and, therefore, a violation of IGRA, NIGC regulations, and the Tribe’s gaming ordinance.

C. Violations 7 through 46

1. During the two-year period between August 2015 and September 2017, St. Croix Casino Turtle Lake EDC issued \$301,287.56 in total “consulting fee” payments to Lawrence Larsen without any support (i.e., contract, invoice, receipts) for goods or services provided by Larsen. These payments are further broken down below.
2. Between August 2015 and December 2016, St. Croix Casino Turtle Lake EDC issued seven checks totaling approximately \$139,300 to Lawrence Larsen. The corresponding Request for Disbursement forms cited “Consultant Fees” as the reason for payment:
  - a) On August 5, 2015, casino check number 173675 in the amount of \$2,500, debited to the gaming operation’s Donations Payable Account;
  - b) On August 20, 2015 casino check number 173887 in the amount of \$25,000, debited to the gaming operation’s Consultant Expense-Executive Account;
  - c) On August 27, 2015 casino check number 174052 in the amount of \$25,000, debited to the gaming operation’s A/R Tribal Account;
  - d) On March 3, 2016 casino check number 177089 in the amount of \$1,800, debited to the gaming operation’s Donations Payable Account;
  - e) On June 13, 2016 casino check number 179106 in the amount of \$25,000, debited to the gaming operation’s Pre-Paid Marketing Account;



- f) On October 25, 2016 casino check number 181653 in the amount of \$5,000, debited to the gaming operation's A/R Tribal Account; and
  - g) On December 5, 2016 casino check number 182338 in the amount of \$25,000, debited to the gaming operation's A/R Tribal Account.
3. On September 16, 2016, St. Croix Casino Turtle Lake EDC issued check number 180936 to Lawrence Larsen in the amount of \$30,000, debited to the gaming operation's A/R Tribal Account. The corresponding Request for Disbursement form cited "Consulting fees and Building Supplies" as the reason for payment.
4. St. Croix Casino and Hotel (SCCH) initiated a total of 17 wire transfers payments, each in the amount of \$3,940, to Lawrence Larsen between April 2016 and September 2017, totaling \$66,980. Corresponding Request for Disbursement forms for the monthly payments indicated "Consulting fees @ \$3,940 a month" as reason for payment. Funds were debited to the gaming operation's Consultant Expense Executive Account:
- a) April 1, 2016, in the amount of \$3,940 from the SCCH General Operating bank account (bank reference number 18177);
  - b) April 4, 2016, in the amount of \$3,940 from the SCCH General Operating bank account (bank reference number 18198);
  - c) June 23, 2016, in the amount of \$3,940 from the SCCH General Operating bank account (bank reference number 19144). Confirmation record contains a handwritten note referencing "July payment";
  - d) July 28, 2016, in the amount of \$3,940 from the SCCH General Operating bank account (bank reference number 19602);
  - e) September 29, 2016, in the amount of \$3,940 from the SCCH General Operating bank account (bank reference number 20364);
  - f) November 1, 2016, in the amount of \$3,940 from the SCCH General Operating bank account (bank reference number 20722);
  - g) December 1, 2016, in the amount of \$3,940 from the SCCH General Operating bank account (bank reference number 21046);
  - h) December 29, 2016, in the amount of \$3,940 from the SCCH General Operating bank account (bank reference number 21372);
  - i) February 1, 2017, in the amount of \$3,940 from the SCCH General Operating bank account (bank reference number 21665);
  - j) February 28, 2017, in the amount of \$3,940 from the SCCH General Operating bank account (bank reference number 21903);
  - k) March 23, 2017, in the amount of \$3,940 from the SCCH General Operating bank account (bank reference number 22163);
  - l) April 27, 2017, in the amount of \$3,940 from the SCCH General Operating bank account (bank reference number 22629);

- m) May 24, 2017, in the amount of \$3,940 from the SCCH General Operating bank account (bank reference number 23141);
  - n) July 6, 2017, in the amount of \$3,940 from the SCCH General Operating bank account (bank reference number 24034);
  - o) July 27, 2017, in the amount of \$3,940 from the SCCH General Operating bank account (bank reference number 24433);
  - p) August 29, 2017, in the amount of \$3,940 from the SCCH General Operating bank account (bank reference number 25127); and
  - q) September 28, 2017, in the amount of \$3,940 from the SCCH General Operating bank account (bank reference number 25740).
5. In addition to the monthly payments, St. Croix Casino and Hotel initiated 12 wire transfer payments from the SCCH General Operating bank account to Lawrence Larsen between April 2017 and August 2017, totaling \$95,007.56:
- a) On April 17, 2017, \$25,000 wired to Lawrence Larsen, item reference number 60016;
  - b) On May 16, 2017, \$11,250 wired to Lawrence Larsen, item reference number 60016;
  - c) On May 22, 2017, \$7,481.13 wired to Lawrence Larsen, item reference number 60030;
  - d) On May 24, 2017, \$11,250 wired to Lawrence Larsen, item reference number 60070;
  - e) On June 1, 2017, \$4,000 wired to Lawrence Larsen, item reference number 60004;
  - f) On June 8, 2017 \$2,495.66 wired to Lawrence Larsen, item reference number 60086;
  - g) On June 13, 2017 \$1,232.45 wired to Lawrence Larsen, item reference number 60070;
  - h) On June 22, 2017, \$9,053.89 wired to Lawrence Larsen, item reference number 60102;
  - i) On July 11, 2017, \$7,751.68 wired to Lawrence Larsen, item reference number 60046;
  - j) On July 19, 2017, \$4,704.91 wired to Lawrence Larsen, item reference number 60056;
  - k) On August 1, 2017, \$4,043.57 wired to Lawrence Larsen, item reference number 60108; and
  - l) On August 14, 2017, \$6,744.27 wired to Lawrence Larsen, item reference number 60044
6. Neither the Tribe nor its gaming operations have a written contract or are able to provide a written description of the terms of any oral agreement with Lawrence Larsen.

7. There is no record of any benefit provided or expected to be provided by Lawrence Larsen in exchange for the \$301,287.56 in fees paid to him.
8. No proofs of purchase, invoices, or receipts are available for any supplies identified in item 3, above.
9. The Tribe does not know the location of any building supplies that may have been purchased with the funds described in item 3, above.
10. Without any documentation of the consulting contract, the Tribe was unable to comply with IGRA's audit requirement for all contracts for goods or services in excess of \$25,000/yr. relating to gaming. None of the Tribe's audits from fiscal years ended September 30, 2015, 2016, or 2017 reflect an audit of any consultant or building supply contract with Lawrence Larsen.
11. The Tribe's failure to audit the payments to Larsen in excess of \$25,000 is a violation of IGRA, NIGC regulations, and the Tribe's gaming ordinance for each of the three fiscal years the payments were made.
12. Without proper support, such as contracts for services, receipts, or location of the supplies, there is no evidence that these payments are legitimate operating expenses of the gaming operation consistent with professional accounting pronouncements. Therefore, they must be added back into net revenues, the spending of which is limited by IGRA, NIGC regulations, and the Tribe's gaming ordinance.
13. There is no evidence to suggest that payments made to Larsen fall within any of the uses of net gaming revenue categories permitted by IGRA, NIGC regulations, or the Tribe's gaming ordinance.
14. Each of the 37 payments to Larsen is an improper use of net revenues and, therefore, a violation of IGRA, NIGC regulations, and the Tribe's gaming ordinance.

D. Violations 47 through 53

1. Between July 2015 and December 2016, St. Croix Casino Turtle Lake EDC issued four checks totaling \$105,000 to REZ Connections.
  - a) Check # 173322 on July 20, 2015, for \$25,000. The corresponding Request for Disbursement form indicates the payment was debited to the gaming operation's account beginning with 1999.
  - b) Check # 179107 on June 13, 2016, for \$25,000. The corresponding Request for Disbursement form indicates the payment was debited to the gaming operation's account beginning with 1690.
  - c) Check # 180935 on September 16, 2016, for \$30,000, debited to the gaming operation's A/R Tribal account.
  - d) Check # 182339 on December 5, 2016, for \$25,000, debited to the gaming operation's A/R Tribal account.
2. The 2016 payments were each accompanied by a Request for Disbursement form stating "consulting fees."

3. Elmer Emery and Nikki Nielsen have a direct interest in Rez Connections.
4. The Tribe has provided no written contract or other evidence to indicate the reason(s) for payments or to describe the Tribe or casino's relationship to Rez Connections.
5. Without any documentation of the consulting contract, the Tribe was unable to comply with IGRA's audit requirement for all contracts for goods or services in excess of \$25,000/year relating to gaming. None of the Tribe's audits from fiscal years ended September 30, 2015, 2016, or 2017 reflect an audit of any service contract with Rez Connections.
6. Each of the three fiscal years (2015, 2016, and 2017) in which the Tribe failed to audit the payments to Rez Connections in excess of \$25,000 is a violation of IGRA, NIGC regulations, and the Tribe's gaming ordinance. Without proper support, such as a contract for or description of services, there is no evidence that these payments are legitimate operating expenses consistent with professional accounting pronouncements. Therefore, they must be added back into net revenues, the spending of which is limited by IGRA, NIGC regulations, and the Tribe's gaming ordinance.
7. The \$105,000 in payments to Rez Connections do not fall within any of the uses of net gaming revenue permitted by IGRA, NIGC regulations, or the Tribe's gaming ordinance.
8. Each of the four payments to Rez Connections is an improper use of net revenues and, therefore, a violation of IGRA, NIGC regulations, and the Tribe's gaming ordinance.

E. Violations 54 and 55

1. In October 2016 and April 2017, St. Croix Casino Turtle Lake EDC issued two checks to Mike Slocumb, totaling \$9,150, debited to the gaming operation's Tribal A/R Account.
  - a) On October 19, 2016 check # 181586 for \$4,150 was issued to Mike Slocumb. The corresponding Request for Disbursement form shows reason as "Travel to Bellingham WA on 10/19 -10/23, \$3,500 and rental Car \$650".
  - b) On April 18, 2017 check # 184635 for \$5,000 was issued to Mike Slocumb. Request for Disbursement shows reason as "per diem travel to Seattle WA on 4.18.17."
2. The checks were issued all in even amounts and no receipts we provided.
3. There is no evidence that the travel or per diem payments were legitimate operating expenses consistent with professional accounting pronouncements. Therefore, they must be added back into net revenues, the spending of which is limited by IGRA, NIGC regulations, and the Tribe's gaming ordinance.
4. These payments do not fall within any of the uses of net gaming revenue permitted by IGRA, NIGC regulations, or the Tribe's gaming ordinance.

5. Each of the two payments to Slocumb, is an improper use of revenue and, therefore, a violation of IGRA, NIGC regulations, and the Tribe's gaming ordinance.

F. Violations 56 through 62

1. Between June 2016 and September 2017, St. Croix Casino and Hotel initiated 6 wire transfers totaling \$68,455 to various individuals, debited to the gaming operation's Consultant Expense Account:
  - a) September 12, 2017, in the amount of \$2,500 to Dorothy Jackson;
  - b) June 9, 2016, in the amount of \$6,000 to Thomas Nagel;
  - c) May 2, 2017, in the amount of \$17,685 to Richard Rovin;
  - d) May 15, 2017 in the amount of \$35,370 to Richard Rovin;
  - e) July 20, 2017 in the amount of \$7,900 to Dustin Scholtz on;
  - f) September 19, 2017 in the amount of \$5,000 to Armando Liburd.
2. The Tribe is unable to supply documentation of the terms under which Richard Rovin was paid \$53,055 in fiscal year 2017. Without such information, the Tribe could not have complied with IGRA's audit requirement for all contracts for goods or services in excess of \$25,000/yr. relating to gaming. The Tribe's audit from fiscal year ended September 30, 2017, does not reflect an audit of any goods or service contract with Richard Rovin.
3. The Tribe's failure to audit the payments and underlying contract to Richard Rovin in the fiscal year ended September 30, 2017 is a violation of IGRA, NIGC regulations, and the Tribe's gaming ordinance.
4. There is no evidence that the payments are legitimate operating expenses consistent with professional accounting pronouncements. Therefore, they must be added back into net revenues, the spending of which is limited by IGRA, NIGC regulations, and the Tribe's gaming ordinance.
5. These payments do not fall within any of the uses of net gaming revenue permitted by IGRA, NIGC regulations, or the Tribe's gaming ordinance.
6. Each of the six payments is an improper use of net revenues and, therefore, a violation of IGRA, NIGC regulations, and the Tribe's gaming ordinance.

G. Violations 63 and 64

1. In May 2017, St. Croix Casino and Hotel paid a total of \$9,000 to Lawrence Larsen for "project supplies" without receiving an invoice, receipt, description or location of the supplies purchased.
  - a) On May 9, 2017, St. Croix Casino and Hotel initiated a direct wire transfer to Lawrence Larsen in the amount of \$5,000 (item reference number 60012), debited to the gaming operation's Consultant Expense-Executive Account. The corresponding Request for Disbursement form cited "Project Supplies" as reason for payment.

- b) On May 15, 2017, St. Croix Casino and Hotel initiated a wire transfer to Lawrence Larsen in the amount of \$4,000 (bank reference number 60006), debited to the gaming operation's Consultant Expense-Executive Account. The corresponding Request for Disbursement form cited "purchase supplies for Hawaii" as reason for payment.
2. No proofs of purchase, invoices, or receipts are available to support either of the payments to Larsen.
3. The Tribe is unable to identify the purpose or location of any supplies that may have been purchased.
4. Without proper support, such as contracts for services, receipts, or location of the supplies, there is no evidence that these payments are legitimate operating expenses consistent with professional accounting pronouncements. Therefore, they must be added back into net revenues, the spending of which is limited by IGRA, NIGC regulations, and the Tribe's gaming ordinance.
5. There is no evidence to suggest that payments made to Larsen fall within any of the uses of net gaming revenue categories permitted by IGRA, NIGC regulations, or the Tribe's gaming ordinance.
6. Each of the two payments to Larsen is an improper use of net revenues and, therefore, a violation of IGRA, NIGC regulations, and the Tribe's gaming ordinance.

I. Violations 65 and 66

1. In June, 2017, St. Croix Casino Turtle Lake EDC issued two checks, totaling \$30,000 to Council members for a "project allocation," but the Tribe is unable to provide a description of the project:
  - a) On June 7, 2017 St. Croix Casino Turtle Lake EDC issued check number 185708 to Tribal Council member Carmen Bugg in the amount of \$15,000, debited to the gaming operation's A/R Tribal Account. The corresponding Request for Disbursement form indicated "Project Allocation" as reason for the payment.
  - b) On June 12, 2017 St. Croix Casino Turtle Lake EDC issued check number 185709 to Tribal Council Member Stuart Bearheart in the amount of \$15,000, debited to the gaming operation's A/R Tribal Account. The corresponding Request for Disbursement form indicated "Project Allocation" as reason for the payment.
2. The Tribe has stated through its counsel in a December 5, 2018 letter that "No description of a project is available and Council Member Carmen Bugg received \$15,000 severance payment as an outgoing Council Member for her tenure on Council."

3. While severance payments may be permitted, the check to Carmen Bugg was issued June 7, 2017, three days prior to the June 10, 2017 tribal election in which Bugg was running as the incumbent candidate for Round Lake Community.
4. Carmen Bugg was still employed and campaigning to continue her employment at the time the check was issued: it was not a severance payment.
5. In response to a document request, the Tribe's counsel stated on December 5, 2018, that "Depending on their position, employees may receive other incentives either contractually or by Council Resolution."
6. The Tribe is unable to provide a contract or Council Resolution to support these payments.
7. The payments were not made pursuant to the Tribe's RAP and there is no evidence to suggest that they fall within any of the uses of net gaming revenue categories permitted by IGRA, NIGC regulations, or the Tribe's gaming ordinance.
8. Each payment is an improper use of net revenue and, therefore, a violation of IGRA, NIGC regulations, and the Tribe's gaming ordinance.

J. Violations 67 and 68

1. In December 2016, the St. Croix Casino Turtle Lake EDC issued two checks for Christmas parties of Council Members' communities, totaling \$13,500.
  - a) On December 12, 2016, St. Croix Casino Turtle Lake EDC issued check number 182445 to Tribal Council Tribal member Carmen Bugg in the amount of \$6,750, debited to the gaming operation's A/R Tribal Account. The corresponding Request for Disbursement form states "Community Christmas Party Round Lake" as reason for payment.
  - b) On December 12, 2016, St. Croix Casino Turtle Lake EDC issued check number 182446 to Tribal Council member Crystal Peterson in the amount of \$6,750, debited to the gaming operation's A/R Tribal Account. The corresponding Request for Disbursement form indicates "Community Christmas Party Maple Plain" as reason for payment.
2. The Tribe is unable to provide receipts or other support for the payments.
3. There are no approved tribal programs for Christmas parties of individual communities.
4. The payments were not made pursuant to the Tribe's RAP, and paying for the Christmas party of an individual or community does not fall within any of the uses of net gaming revenue categories permitted by IGRA, NIGC regulations, or the Tribe's gaming ordinance.
5. Each payment is an improper use of net revenue and, therefore, a violation of IGRA, NIGC regulations, and the Tribe's gaming ordinance.

K. Violation 69

1. On December 22, 2015, St. Croix Casino Turtle Lake EDC issued check number 175859 to Duane Emery in the amount of \$5,000, debited to the gaming operation's A/R Tribal Account.
2. The corresponding Request for Disbursement form states the reason for payment as "Christmas Bonus" with notes "verbal from Stu, Jay & Carmen."
3. Stuart, Jay, and Carmen are known to be Tribal Council Members Stuart Bearhart, Elmer "Jay" Emery, and Carmen Bugg.
4. The Tribe is unable to provide any additional information to explain why only one tribal member/Tribal Employee received a \$5,000 "Christmas Bonus."
5. A review of the general ledger for the A/R Tribal Account revealed no similar payments being made in that season to other tribal employees or members.
6. In response to a document request, the Tribe's counsel stated on December 5, 2018, that "Depending on their position, employees may receive other incentives either contractually or by Council Resolution."
7. The Tribe is unable to provide a contract or Council Resolution to support the bonus payment to Duane Emery.
8. The payment was not made pursuant to the Tribe's RAP, and a payment to an individual outside of established government programs does not fall within any of the uses of net gaming revenue categories permitted by IGRA, NIGC regulations, or the Tribe's gaming ordinance.
9. The payment is an improper use of net revenue and, therefore, a violation of IGRA, NIGC regulations, and the Tribe's gaming ordinance.

L. Violations 70 through 128

1. From July 30, 2015 through September 26, 2017, Kate Wolfe Taylor received 59 bi-weekly payments debited to the gaming operation's Donations Account, totaling \$30,590.
2. Kate Wolfe Taylor is not an enrolled member of the St. Croix Chippewa Indians, but she is employed as a member of the St. Croix Gaming Commission Staff.
3. There is no tribal resolution, gaming operation, or tribal policy that authorizes day care assistance to tribal members, non-tribal members, or tribal employees.
4. There is no evidence that the payments are legitimate operating expenses consistent with professional accounting pronouncements. Therefore, they must be added back into net revenues, the spending of which is limited by IGRA, NIGC regulations, and the Tribe's gaming ordinance.
5. These payments do not fall within any of the uses of net gaming revenue permitted by IGRA, NIGC regulations, or the Tribe's gaming ordinance.



7. Each of the 59 payments to Kate Wolfe Taylor is an improper use of net revenues and, therefore, a violation of IGRA, NIGC regulations, and the Tribe's gaming ordinance.

M. Violations 129 to 131

1. Between May and July 2017, St. Croix Casino Turtle Lake EDC issued three checks to the United States Treasury debited to the gaming operation's Donations Expense Monetary Account for payment of three members' back taxes, totaling \$5,487.81:
  - a) On May 15, 2017, check number 185169 in the amount of \$1,711.37, paid on behalf of Beverly Oustigoff;
  - b) On June 5, 2017, check number 185490 in the amount of \$3,056.44, paid on behalf of David Butler; and
  - c) On July 27, 2017, check number 186734 in the amount of \$720, paid on behalf of Neil Oustigoff, Sr.
2. The Tribe has stated through its counsel in a December 21, 2018 letter that it has an informal policy to assist elders and other tribal members with tax problems within the discretion of the tribal [casino] CEO.
3. If there is a program, it does not have criteria, written policies for approval/disapproval, or require applications.
4. Request for Disbursement show that each was approved by Leva Oustigoff, the casino CEO. Funds were accounted for from the Donations Account.
5. There is no evidence that the payments are legitimate operating expenses consistent with professional accounting pronouncements. Therefore, they must be added back into net revenues, the spending of which is limited by IGRA, NIGC regulations, and the Tribe's gaming ordinance.
6. Donations to Tribal Members made outside of an approved government program are not a permissible use of net gaming revenue.
7. The payments of personal tax obligations were not made pursuant to the Tribe's RAP and there is no evidence to suggest that they fall within any of the uses of net gaming revenue categories permitted by IGRA, NIGC regulations, or the Tribe's gaming ordinance.
8. Each payment is an improper use of net revenue and, therefore, a violation of IGRA, NIGC regulations, and the Tribe's gaming ordinance.

N. Violations 132 through 135

1. In 2017, St. Croix Casino Turtle Lake EDC issued four checks totaling \$28,893.80 on behalf of Raven Emery to Ohio State University, debited to the Donations Expense Monetary Account:
  - a) Check number 183099 in the amount of \$7,109.50 on January 24, 2017
  - b) Check number 183365 in the amount of \$7,109.50 on February 10, 2017

- c) Check number 187235 in the amount of \$7,337.40 on August 29, 2017
- d) Check number 187356 in the amount of \$7,337.40 on September 05, 2017
- 2. The Tribe has only one scholarship program, enacted through Tribal Resolution 3.2.15.3, which states “The St. Croix Tribal Council hereby approves and announces the Tribe’s Education Department allocation of \$200,000 for a Tribal Financial Aid Program, money to be awarded to qualified Tribal members, in accordance with criteria established by a seven member award committee.”
- 3. There is no completed application or evidence of the required seven member committee considering or awarding money to Raven Emery.
- 4. The funds were paid from the casino’s Donations account, not the Tribe’s Education Department allocation described in Resolution 3.2.15.3.
- 5. A donation to an individual tribal member made outside of the criteria established for the approved government program is not a permissible use of net gaming revenue.
- 6. There is no evidence that the payments are legitimate operating expenses consistent with professional accounting pronouncements. Therefore, they must be added back into net revenues, the spending of which is limited by IGRA, NIGC regulations, and the Tribe’s gaming ordinance.
- 7. The payments of personal educational expenses were not made pursuant to the Tribe’s RAP or established tribal programs and the payments do not fall within any of the uses of net gaming revenue categories permitted by IGRA, NIGC regulations, or the Tribe’s gaming ordinance.
- 8. Each of the four payments is an improper use of net revenue and, therefore, a violation of IGRA, NIGC regulations, and the Tribe’s gaming ordinance.

O. Violations 136 through 205

- 1. From October 29, 2015 through September 20, 2017, several enrolled tribal members received payments that were debited to the gaming operation’s Donations Expense Monetary Account. The following is a list of the members who received the most egregious total amounts during this period:
  - a) Neil Oustigoff, 26 payments, totaling \$25,234.92.50;
  - b) Leva Oustigoff, 5 payments, totaling \$13,333.19;
  - c) Tristan Oustigoff, 9 payments, totaling \$9,156.98;
  - d) Will LaPointe, 13 payments, totaling \$10,131.60; and
  - e) Jacqueline Churchill, 17 payments, totaling \$7,555.53.
- 2. The Tribe is unable to provide a justification for any of these payments.
- 3. There is no evidence that the payments are legitimate operating expenses consistent with professional accounting pronouncements. Therefore, they must be added back into net revenues, the spending of which is limited by IGRA, NIGC regulations, and the Tribe’s gaming ordinance.

4. The payments were not made pursuant to the Tribe's RAP and there is no evidence to suggest that they fall within any of the uses of net gaming revenue categories permitted by IGRA, NIGC regulations, or the Tribe's gaming ordinance.
5. Each of the 70 payments is an improper use of net revenue and, therefore, a violation of IGRA, NIGC regulations, and the Tribe's gaming ordinance.

P. Violation 205 through 225

1. From June 5, 2015, through June 8, 2017 the following individuals received payments that were debited to the gaming operation's Donations Expense Monetary Account.
  - a) Between September 24, 2015 and April 17, 2017, Robert Lowe received eight payments totaling \$11,551.04;
  - b) Between November 10, 2015 and June 5, 2017, Michaela Lowe received six payments totaling \$5,518.29;
  - c) Between June 5 and July 21, 2015, Kevin Renenberg received three payments totaling \$7,776.86;
  - d) October 14, 2016, Justin Hoff received \$7,500;
  - e) July 15, 2015, Raven Emery received \$6,625.59;
  - f) December 21, 2016, Robbie Elkins received \$6,382.52;
  - g) June 8, 2017, Ron Heinz received \$7,200.
2. The Tribe is unable to provide a justification for any of these payments.
3. There is no evidence that the payments are legitimate operating expenses consistent with professional accounting pronouncements. Therefore, they must be added back into net revenues, the spending of which is limited by IGRA, NIGC regulations, and the Tribe's gaming ordinance.
4. The payments were not made pursuant to the Tribe's RAP and there is no evidence to suggest that they fall within any of the uses of net gaming revenue categories permitted by IGRA, NIGC regulations, or the Tribe's gaming ordinance.
5. Each of the 21 payments is an improper use of net revenue and, therefore a violation of IGRA, NIGC regulations, and the Tribe's gaming ordinance.

Q. Violations 226 through 230

1. On June 27, 2017, St. Croix Casino Turtle Lake EDC issued checks to the following individuals. The payments were debited to the gaming operation's A/R Tribal Account:
  - a) Check number 185958 for \$5,000 issued to Tribal Council member Lewis Taylor;
  - b) Check number 185959 for \$5,000 issued to Tribal Council member Stuart Bearheart;
  - c) Check number 185960 for \$5,000 issued to Tribal Council member Elmer Emery;
  - d) Check number 185961 for \$5,000 issued to Tribal Council member Carmen Bugg; and

- e) Check number 185962 for \$5,000 issued to Tribal Council member Crystal Peterson;
- 2. The Request for Disbursement forms indicate "Travel Assistance", but showed no date(s) of Travel or Location(s).
- 3. There is no Tribal Council Resolution authorizing such payments.
- 4. There is no documentation to support the purpose, location, or dates of travel.
- 5. Each payment was made in an even amount and no receipts or invoices were provided.
- 6. The payments were not made pursuant to the Tribe's RAP and there is no evidence to suggest that they fall within any of the uses of net gaming revenue categories permitted by IGRA, NIGC regulations, or the Tribe's gaming ordinance.
- 7. Each of the five payments is an improper use of net revenue and, therefore, a violation of IGRA, NIGC regulations, and the Tribe's gaming ordinance.

R. Violations 231 through 233

- 1. Between January 10 and February 16, 2017, St. Croix Casino Turtle Lake EDC issued three checks to Lawrence Larsen, totaling \$12,746.09 for travel between January 13 and January 20, 2017.
  - a) On January 10, 2017, St. Croix Casino Turtle Lake EDC issued check number 182740 in the amount of \$4,500 to Lawrence Larsen debited to the gaming operation's Tribal A/R account. The corresponding Request for Disbursement form indicates reason for payment as "Travel to HI 1/13- 1/18, Lawrence \$2,500 and Joe Mousseau \$2,000."
  - b) On January 17, 2017, St. Croix Casino Turtle Lake EDC issued check number 182802 in the amount of \$5,000 to Lawrence Larsen debited to the gaming operation's Tribal A/R account. The Corresponding Request for Disbursement form indicates reason for payment as "Travel Seattle & Atlanta 1/18-1/20."
  - c) On February 16, 2017, St. Croix Casino Turtle Lake EDC issued check number 183393 in the amount of \$3,246.09 to Lawrence Larsen debited to the gaming operation's Tribal A/R account. The corresponding Request for Disbursement indicates reason for payment as "Repay for Travel for Lawrence while in Seattle 1/13 – 1/17, 2017 & HI 1/18 - 1/20."
- 2. Larsen received payment twice for the same trips, but only provided receipts in connection with the February 16, 2017 payment (item c).
  - a) The February 15, 2017 Request for Disbursement form (corresponding to item c) included a flight itinerary showing three first class flights for passenger Lawrence Larsen from Honolulu to Los Angeles, Los Angeles to Seattle, and Seattle to Atlanta, totaling \$2,220.50.

- b) The payment card number on the flight itinerary and the email address to which the itinerary was sent shows that St. Croix Casino, not Lawrence Larsen, paid for the flights.
- c) Additionally, Larsen included a receipt from Vape Spot in Atlanta, Georgia on January 19, 2017, listing the following items for a purchase price of \$237.60:
  - i. 1 Hard Times, Clear W/Banger, Honey Comb Bubbler
  - ii. 1 KD TI Crystal Dabber
  - iii. 1 Newport Butane 10 oz.
  - iv. 1 R Series Torch, MEGA
3. No invoices, contracts, or description of travel purpose were supplied to support the payments.
4. Although payment records identify Lawrence Larsen as a consultant, the Tribe has produced no contracts or description of verbal agreements outlining the subject or scope of Larsen's services.
5. The Tribe is unable to describe any benefit expected or received from Lawrence Larsen's consultant services.
6. Lawrence did not incur \$2,200 in airfare costs that he was reimbursed for on February 16, 2017. Records reflect that airfare was paid by the casino's credit card, resulting in the Tribe paying twice for the same flights.
7. The purchase of \$237.60 in supplies at the Atlanta Vape Spot appears to be personal in nature and occurred during the time the Tribe was paying him to be in Hawaii.
9. The payments made to Lawrence Larsen do not fall within any of the uses of net gaming revenue categories permitted by IGRA, NIGC regulations, or the Tribe's gaming ordinance.
8. Therefore, each of the three payments to Larsen is an improper use of net revenues and, therefore, a violation of IGRA, NIGC regulations, and the Tribe's gaming ordinance.

S. Violations 234 through 242

1. In December 2016, St. Croix Casino Turtle Lake EDC issued nine checks totaling \$66,000 to tribal officials and employees debited to the gaming operation's A/R Tribal Account:
  - a) On December 2, 2016, check number 182313 in the amount of \$10,000 to Elmer Emery (Tribal Council)
  - b) On December 2, 2016, check number 182314 in the amount of \$10,000 to Carmen Bugg (Tribal Council)
  - c) On December 2, 2016, check number 182315 in the amount of \$10,000 to Crystal Peterson (Tribal Council)
  - d) On December 2, 2016, check number 182316 in the amount of \$10,000 to Stuart Bearheart (Tribal Council)

- e) On December 2, 2016, check number 182317 in the amount of \$5,000 to Duane Emery (Tribal Employee)
  - f) On December 2, 2016, check number 182318 in the amount of \$5,000 to Rick Peterson (Tribal Comptroller)
  - g) On December 2, 2016, check number 182319 in the amount of \$2,500 to Jeff Cornell (Tribal Attorney)
  - h) On December 2, 2016, check number 182323 in the amount of \$3,500 to Jeff Taylor (Gaming Commissioner)
  - i) On December 2, 2016, check number 182312 in the amount of \$10,000 to Lewis Taylor (Tribal Council)
2. The corresponding Request for Disbursement forms for items (a) through (h) stated "Travel Las Vegas Legal Symposium 12/4 -12/8"
  3. The Request for Disbursement corresponding with Lewis Taylor's check, item (i), indicates "Travel AZ Legal Symposium 12/9 – 12/14"
  4. The Tribe issued the checks before travel took place and does not have policies restricting use of travel funds, requiring receipts, or requiring return of excess amounts.
  5. No receipts, invoices, or other supporting documentation for the payments is available.
  6. The payments were not made pursuant to the Tribe's RAP and there is no evidence to suggest that they fall within any of the uses of net gaming revenue categories permitted by IGRA, NIGC regulations, or the Tribe's gaming ordinance.
  7. Each of the nine payments is an improper use of net revenue and, therefore, a violation of IGRA, NIGC regulations, and the Tribe's gaming ordinance.

T. Violation 243

1. An April 27, 2017, the St. Croix Casino and hotel initiated a wire transfer in the amount of \$21,247.16 to Lawrence Larsen debited to the gaming operation's Tribal A/R account for purchase of a 4x4 off road vehicle for Hawaii.
2. The Tribe is unable to provide documentation for proof of purchase or accountability of the asset.
3. The payment does not fall within any of the uses of net gaming revenue categories permitted by IGRA, NIGC regulations, or the Tribe's gaming ordinance.
4. The payment is an improper use of net revenues and, therefore, a violation of IGRA, NIGC regulations, and the Tribe's gaming ordinance.

U. Violations 244 and 245

1. In August and September 2017, Travis Jackson received two payments totaling \$7,000 debited to the gaming operation's A/R Tribal Account.

- a) On August 14, 2017 check # 187031 for \$4,000 was issued to Jackson. The corresponding Request for Disbursement form shows reason as "Reimbursement for Project Supplies."
  - b) On September 30, 2017 check # 187787 for \$3,000 was issued to Jackson. The corresponding Request for Disbursement form shows reason as "Travel per diem Atlanta GA." No dates of travel were identified in the request.
2. Tribe is unable to provide supporting documentation, such as receipts or invoices for the project supplies purchased, or reason for travel.
  3. The payments, do not fall within any of the uses of net gaming revenue categories permitted by IGRA, NIGC regulations, or the Tribe's gaming ordinance.
  4. Each of the two payments is an improper use of net revenues and, therefore, a violation of IGRA, NIGC regulations, and the Tribe's gaming ordinance.

#### V. Violations 246 through 248

1. Between April 28, 2015 and June 3, 2016, St. Croix Casino Turtle Lake EDC paid \$37,243.64 in first class airfare for eight trips taken by Elmer Emery and his family:
  - a) The casino credit card was used to purchase two roundtrip first class tickets to Albuquerque for Elmer Emery and Nikki Nielsen, departing Friday, May 15, 2015, and returning Sunday, May 17, 2015. The total airfare for this trip was \$3,381.40.
  - b) The casino credit card was used to purchase three roundtrip first class tickets to Albuquerque for Elmer Emery, Nikki Nielsen, and Kailey Emery, departing Friday, August 21, 2015, and returning Sunday, August 23, 2015. The total airfare for this trip was \$3,030.60.
  - c) The casino credit card was used to purchase two roundtrip first class tickets to Las Vegas for Elmer Emery and Nikki Nielsen, departing Tuesday, September 29, 2015, and returning Saturday, October 3, 2015. The total airfare for this trip was \$1,244.40.
  - d) The casino credit card was used to purchase two roundtrip first class tickets to Detroit for Elmer Emery and Nikki Nielsen, departing Friday, October 30, 2015 and returning Saturday, October 31, 2015. The total airfare for this trip was \$2,740.40.
  - e) The casino credit card was used to purchase three first class roundtrip tickets to Hawaii for Elmer Emery, Nikki Nielsen, and Kailey Emery for travel departing Wednesday, January 27, 2016, and returning Sunday, January 31, 2016. The total airfare for this trip was \$6,576.
  - f) The casino credit card was used to purchase two first class roundtrip tickets to Hawaii for Elmer Emery and Nikki Nielsen for travel departing Wednesday, March 2, 2016, and returning Sunday, March 6, 2016. The total airfare for this trip was \$5,891.

- g) The casino credit card was used to purchase one first class roundtrip ticket to Hawaii for Elmer Emery for travel between Tuesday, March 8, 2016, and Thursday, March 10, 2016. The total airfare for this trip was \$2,929.
  - h) The casino credit card was used to purchase four first class roundtrip tickets to Hawaii for Elmer Emery, Nikki Nielsen, Kailey Livingston, and Nancy Nielsen for travel between Sunday, May 29, 2016, and Friday, June 3, 2016. The total cost of these tickets was \$7,845.68.
    - i. On May 31, 2016, the casino credit card was used again to change the departure time of the flights from 7:00 AM on June 3 to 2:30 p.m. the same day. The change in flights came to an additional \$3,605.16 and is an additional violation.
2. Between April 28, 2015 and June 3, 2016, St. Croix Casino Turtle Lake EDC issued eight checks totaling \$24,000 to Elmer Emery, ostensibly for travel expenses:
- a) On April 28, 2015, St. Croix Casino Turtle Lake EDC issued check #171736 in the amount of \$2,500 to Elmer Emery, debited to the gaming operation's Donations Payable Account. The corresponding Request for Disbursement form states "Travel to Albuquerque Business Mtg. 4/30-5/3." Accompanying documentation indicates that Emery asked the casino's administrative assistant to rebook the April 30 trip for May 14-17, 2015.
  - b) On August 18, 2015, St. Croix Casino Turtle Lake EDC issued check #173875 in the amount of \$5,000 to Elmer Emery, debited to the gaming operation's A/R Tribal Account. The corresponding Request for Disbursement form states "Travel to Abq 8/21 -8/23 \$2,500, Travel to Denver 8/24 - 8/26 \$2,500."
    - i. There are no available flight confirmations or other documents supporting a trip to Denver for which the check was ostensibly issued.
  - c) On September 14, 2015, St. Croix Casino Turtle Lake EDC issued check number 174311 in the amount of \$3,000 to Elmer Emery, debited to the gaming operation's Donations Payable Account. The corresponding Request for Disbursement form cites "Travel to G2E Las Vegas 9/29 -10/3" as the reason for payment.
  - d) On September 25, 2015, St. Croix Casino Turtle Lake EDC issued check number 174541 to Elmer Emery in the amount of \$2,000, debited to the gaming operation's A/R Tribal account. The corresponding Request for Disbursement form cites "G2E-Las Vegas-Travel Expenses" as reason for payment.
  - e) On October 29, 2015, St. Croix Casino Turtle Lake EDC issued check number 175110 in the amount of \$3,000 to Elmer Emery, debited to the gaming operation's A/R Tribal Account. The check stub indicates the \$3,000 payment



was split between two trips: “\$1,500 for travel to Detroit MI 10/30 -10/31 and \$1,500 for travel to Madison WI.”

- f) On January 25, 2016, St. Croix Casino Turtle Lake EDC issued check number 176499 to Elmer Emery in the amount of \$2,500. The corresponding Request for Disbursement indicates the reason for payment as “Travel to Honolulu HI 1/27 -1/30, 2016 Governor’s Meeting.”
  - g) On January 26, 2016, St. Croix Casino Turtle Lake EDC issued check number 176506 to Elmer Emery in the amount of \$2,500. The corresponding Request for Disbursement indicates the reason for payment as “Additional Travel for Elmer Emery to HI.”
  - h) On March 7, 2016, St. Croix Casino Turtle Lake EDC issued check number 177243 to Elmer Emery in the amount of \$3,500, debited to the gaming operation’s A/R Tribal account. The corresponding Request for Disbursement form cites “Travel, Honolulu, HI, 3/8 - 3/10, 2016.”
3. Between September 2015 and January 2016, the St. Croix Casino Turtle Lake EDC issued two checks to Nikki Nielsen, totaling \$2,500, ostensibly for travel expenses.
- a) On September 25, 2015, St. Croix Casino Turtle Lake EDC issued check number 174542 in the amount of \$1,500 to Nikki Nielsen, debited to the gaming operation’s A/R Tribal account. The corresponding Request for Disbursement form cites “G2E-Las Vegas-Travel Expenses” as reason for payment.
  - b) On January 25, 2016, St. Croix Casino Turtle Lake EDC issued check # 176500 to Nikki Nielsen in the amount of \$1,000. The corresponding Request for Disbursement indicates the reason for payment as “Travel to Honolulu HA 1/27 – 1/31 Governor’s Meeting.”
4. The entirety of the travel described in this section occurred during a travel ban imposed by Tribal Council Resolution 4.16.14.1, dated April 16, 2014. In this resolution, the Tribal Council recognized “the challenge of meeting its financial obligations in an economic climate which yields diminished revenue streams” and ordered the immediate suspension and cessation of all Tribally funded travel until further notice.
5. The travel ban was in effect until rescinded by Tribal Council Resolution 16.07.12.01 on July 12, 2016.
6. The Tribe has failed to produce any other documents evidencing tribal authorization for the \$37,243.64 in first class air travel or \$26,500 in purported travel expenses during this time.
7. Ms. Nielsen is not a member, employee, or official of the St. Croix Tribe.
8. The travel expense checks were issued prior to travel and no receipts or supporting documentation of actual expenses were provided.

9. There is no evidence that the “travel expense” payments or purchases of first class airfare were legitimate operating expenses consistent with professional accounting pronouncements. Therefore, they must be added back into net revenues, the spending of which is limited by IGRA, NIGC regulations, and the Tribe’s gaming ordinance.
10. The payments were not made pursuant to the Tribe’s RAP and there is no evidence to suggest that they fall within any of the uses of net gaming revenue categories permitted by IGRA, NIGC regulations, or the Tribe’s gaming ordinance.
11. Each of the 19 payments is an improper use of net revenue and, therefore, a violation of IGRA, NIGC regulations, and the Tribe’s gaming ordinance.

W. Violations 249 through 250

1. St. Croix Casino Turtle Lake EDC issued \$15,000 in “per diem” checks to Elmer Emery for seven days of travel occurring between April 9 and April 15, 2017:
  - a) On April 6, 2017, St. Croix Casino Turtle Lake EDC issued check # 184253 in the amount of \$10,000 to Elmer Emery, debited to the gaming operation’s Tribal A/R Account. Two Request for Disbursement forms were attached for \$5,000 each: “Per diem travel 4/9 – 4/11 San Diego” and “Per Diem travel to HI 4/11- 4/15.”
  - b) On April 7, 2017, St. Croix Casino Turtle Lake EDC issued check # 184290 in the amount of \$5,000 to Elmer Emery, debited to the gaming operation’s Tribal A/R Account. The corresponding Request for Disbursement form indicates “additional per diem – travel to San Diego & HI 4/9 – 4/15.”
3. The checks were issued in even amounts and no receipts we provided.
4. The payments were not made pursuant to the Tribe’s RAP and there is no evidence to suggest that they fall within any of the uses of net gaming revenue categories permitted by IGRA, NIGC regulations, or the Tribe’s gaming ordinance.
5. Each payment is an improper use of net revenue and, therefore, a violation of IGRA, NIGC regulations, and the Tribe’s gaming ordinance.

X. Violation 251

1. On February 7, 2017, St. Croix Casino initiated a wire transfer in the amount of \$1,840.50 to Herman Collin Mousseau, debited to the gaming operation’s Consultant Expense –Executive Account.
2. The corresponding Request for Disbursement form and its supporting documentation indicates that the casino issued a check in the same amount to a law firm on Mousseau’s behalf, but the law firm was unable to accept payment from a corporation for “an unrelated personal client.” Casino staff then wired the same amount directly to Mousseau.
3. There is no evidence that the payment to Herman Collin Mousseau was a legitimate operating expense consistent with professional accounting pronouncements.

Therefore, they must be added back into net revenues, the spending of which is limited by IGRA, NIGC regulations, and the Tribe's gaming ordinance.

4. The payment does not fall within any of the uses of net gaming revenue permitted by IGRA or NIGC Regulations.
5. The payment is an improper use of net gaming revenue, and, therefore, is a violation of IGRA, NIGC regulations, and the Tribe's gaming ordinance.

Y. Violation 252

1. On May 14, 2016, Jeff Taylor, Chairman of the St. Croix Tribal Gaming Commission, received a payment of \$4,284.60, debited to the gaming operation's Donations Expense Monetary Account.
2. The General Ledger entry notes "Anniversary."
3. There is no evidence that the payment was a legitimate operating expense consistent with professional accounting pronouncements. Therefore, it must be added back into net revenues, the spending of which is limited by IGRA, NIGC regulations, and the Tribe's gaming ordinance.
4. The payment was not made pursuant to the Tribe's RAP, and does not fall within any of the uses of net gaming revenue categories permitted by IGRA, NIGC regulations, or the Tribe's gaming ordinance.
5. The payment is an improper use of net revenue and, therefore, a violation of IGRA, NIGC regulations, and the Tribe's gaming ordinance.

Z. Violations 253 through 527

1. Between 2015 and 2017, St. Croix Casino Turtle Lake EDC issued 275 payments totaling \$562,246.75 directly to seven tribal members, debited to the gaming operation's A/R Tribal account:
  - a. Between October 8, 2014 and September 26, 2017, the St. Croix Casino Turtle Lake EDC issued 94 payments totaling \$235,888.53 to St. Croix Tribal Council Member Elmer "Jay" Emery, in addition to the payments described in violations listed above
  - b. Between October 8, 2014 and September 26, 2017, the St. Croix Casino Turtle Lake EDC issued 74 payments totaling \$154,173.67 to St. Croix Tribal Chairman Lewis Taylor, in addition to the payments described in violations listed above.
  - c. Between February 25, 2015 and September 25, 2017, the St. Croix Casino Turtle Lake EDC issued 42 payments totaling \$47,696.77 to St. Croix Tribal Gaming Commission Chairman Jeff Taylor.
  - d. Between August 18, 2015 and June 26, 2017, the St. Croix Casino Turtle Lake EDC issued 18 payments totaling \$46,513.20 to St. Croix Tribal Council Member Carmen Bugg.

- e. Between December 17, 2014 and September 27, 2017, the St. Croix Casino Turtle Lake EDC issued 26 payments totaling \$42,873.91 to Duane Emery.
  - f. Between July 21, 2015 and June 6, 2017, the St. Croix Casino Turtle Lake EDC issued 13 payments totaling \$21,554.04 to St. Croix Tribal Council Member Stuart Bearheart.
  - g. Between August 8, 2015 and June 6, 2017, the St. Croix Casino Turtle Lake EDC issued 8 payments totaling \$ 13,546.63 to St. Croix Tribal Council Member Crystal Peterson.
2. None of the 275 payments were made pursuant to the Tribe's RAP, and a payment to an individual outside of established government programs does not fall within any of the uses of net gaming revenue categories permitted by IGRA, NIGC regulations, or the Tribe's gaming ordinance.
  3. Each of the 275 payments is an improper use of net revenue and, therefore, a violation of IGRA, NIGC regulations, and the Tribe's gaming ordinance.

VI. Measures Required to Correct these Violations

There is no way to correct these violations, but the Chair will consider the Tribe's efforts taken to mitigate damages when determining an appropriate civil fine amount under 25 C.F.R. § 575.5, further discussed in Section VIII below.

VII. Appeal

Within 30 (thirty) days after service of this Notice of Violation, Respondent may appeal to the full Commission under 25 C.F.R. Parts 581, 584 or 585 by submitting a notice of appeal and, if desired, request in writing for a hearing to the National Indian Gaming Commission, 1849 C Street NW, Mail Stop #1621, Washington, DC 20240. Respondent has a right to assistance of counsel in such an appeal. A notice of appeal must reference this Notice of Violation.

Within ten (10) days after filing a notice of appeal, Respondent must file with the Commission a supplemental statement that states with particularity the relief desired and the grounds therefore and that includes, when available, supporting evidence in the form of affidavits. If Respondent wishes to present oral testimony or witnesses at a hearing before a presiding official, Respondent must include a request to do so with the supplemental statement. The request to present oral testimony or witnesses must specify the names of proposed witnesses and the general nature of their expected testimony, whether a closed hearing is requested and why. Respondent may, in writing, waive its right to an oral hearing

and instead elect to have the matter determined by the Commission solely on the basis of written submissions.

VIII. Fine and Submission of Information

Each of the violations cited above may result in the assessment of a civil fine against Respondent in an amount not to exceed \$52,596 per violation. Under 25 C.F.R. § 575.5(a), Respondent may submit written information about the violation and measures taken to prevent future violations to the Chairman within fifteen (15) days after service of this notice of violation (or such longer period as the Chairman of the Commission may grant for good cause). The Chairman shall consider any information submitted in determining the facts surrounding the violation and the amount of the civil fine, if any.

Dated this 11<sup>th</sup> day of April, 2019



Jonodev O. Chaudhuri  
Chairman

**Certificate of Service**

I certify that I sent this **NOV-19-02** by fax and certified U.S. mail, return receipt requested, on this 11<sup>th</sup> day of April, 2019 to:

Fax #: 715-349-5768

Lewis Taylor, Chairman  
St. Croix Chippewa Indians of Wisconsin  
24663 Angeline Ave  
P.O. Box 45287  
Webster, WI 54893

Jeff Taylor, Chairman  
St. Croix Gaming Commission  
24663 Angeline Ave  
P.O. Box 45287  
Webster, WI 54893

Regulatory Processing and Licensing Office  
St. Croix Chippewa Indians of Wisconsin  
24663 Angeline Ave  
P.O. Box 45287  
Webster, WI 54893

  
\_\_\_\_\_  
Shakira Ferguson  
Legal Staff Executive Administrator