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## **CASINOS, FROM PAGE 1: COMMISSION SAYS THAT REQUIREMENTS WILL NOT UNDULT DELAY**

executed until after he had completed the parking lot, and the invoice Starr submitted for the work was completely inadequate - just a bill for \$143,000 with no supporting documentation.

At the hearing in May, Freeman said that Slamans had OKed moving ahead with the paving project because winter was setting in, asphalt plants were closing for the season, and the blacktop could not be laid in cold weather. Meantime, people were falling in the parking lot, which was muddy and unfit for traffic.

At the hearing, Slamans said that "getting the casino open was our primary concern, no questions about that," but he denied ever having told Freeman not "to bother with a contract." In fact, he testified that he believed a contract had been in place and was surprised to find out after the fact that there was not one.

According to the Gaming Commission's report, the "serious irregularities" involving Starr prompted investigators to broaden their inquiry and see if the Starr incident was an isolated case or part of a larger problem. They found, according to the report, seven other occurrences in which vendors had invoiced the Gaming Enterprise Board for amounts above the \$25,000 threshold even though the vendors had no licenses. In one case, the commission said it found one person who applied for gaming licenses under three different business names, "suggesting the possibility of an attempt to circumvent the licensing requirements by structuring," or getting paid amounts under \$25,000 to different entities to avoid triggering the license requirement.

The casinos have been under a preliminary notice of violation for "endemic accounting problems. Recently, casino CFO Bill Leonhart was fired, though no public statements have been made about his departure.

Under the order issued by the Gaming Commission, no construction can occur on the casinos or related businesses unless:

A complete project plan, including a budget, blueprints, engineering, environmental and other documentation and assessments are complete;

Written contracts are executed in accordance with the Competitive Bidding Act;

A project accounting system and complete set of written policies is set forth that meet or exceed industry standards;

A system is in place for project oversight, management and quality control;

A program is in place to ensure that project staff members are educated in the pertinent Osage laws; and

A system is in place to refer all contractors and subs to the Gaming Commission for licensure before they begin work.

How the order might affect expansion of the Osage casinos is unclear, though the commission says the new requirements should not "unduly delay or hinder" projects.

The Gaming Enterprise Board is to submit a Plan of Operation at the Congressional session set to begin this month, but that plan is not public.

In the past, the Gaming Enterprise has expressed a desire to build a hotel at the Ponca City casino.