



BY MURRAY MARSHALL

The State of Gaming in Kahnawake

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As most know by now, Kahnawake was a pioneer in the field of online gaming. In 1998, when online gaming was still in its infancy, this Indigenous community lead the way by establishing a world-class co-location hosting facility (Mohawk Internet Technologies) and a robust regulatory environment through the enactment of the Kahnawake Gaming Commission's Regulations concerning Interactive Gaming. It was a bold move

and it worked. Over the course of the past two decades, online gaming has created significant socio-economic benefits—revenue, funding for essential public services, job creation and vocational skills development—not only for Kahnawake but, particularly in relation to job creation, also for surrounding communities.

During the early 2000s, the online gaming industry in Kahnawake quickly grew to capture a significant portion—some estimates put it as high as 70%—of the global market. Mohawk Internet Technologies struggled to keep up with the demand and built several new server rooms. The Kahnawake Gaming Commission licensed over 60 different online gaming operations. “Kahnawake” became a household name in the industry.

Over the past 10 years, mainly as the result of increasing competition from other jurisdictions, the online gaming industry in Kahnawake began to level off—but remained competitive. In 2007, Kahnawake moved from the virtual to the real world of gaming by establishing a regulatory environment for terrestrial poker rooms within the community. Presently, there are two highly successful poker rooms operating in the Mohawk Territory: Playground Poker Room (75 tables, making it the largest poker room in Canada) and the newly refurbished Poker Palace (32 tables).

In 2015, as a result of mounting concern that online operators who accepted players from the US—and the payment processing methods they were using—were negatively affecting the reputational integrity of

Kahnawake's jurisdiction, the Kahnawake Gaming Commission took the position that it would no longer licence operators that provide gaming services to US players, unless the operator is properly licensed by a US State to do so. Implementing the Commission's policy took place over several months and as of September 30, 2016; no operator that accepts US players is licensed by the Commission or hosted at Mohawk Internet Technologies.

Over the past two years Kahnawake's governing body the Mohawk Council of Kahnawake took the initiative to become the operator of a the well-respected gaming site: SportsInteraction. For the purposes of this project, the Mohawk Council established a corporate vehicle, Mohawk Online Limited, in Jersey, a jurisdiction renowned for its highly regulated financial industry. To demonstrate its commitment to operational integrity, Mohawk Online chose to become one of the most tightly regulated gambling companies in the world. Mohawk Online is licensed and regulated by the Kahnawake Gaming Commission and the Jersey Gambling Commission and are supervised for anti-money laundering and counter terrorist financing controls by the Jersey Financial Services Commission. Mohawk Online accepts players only from Canada.

As a socio-economic initiative established for the benefit of the Kahnawake community, revenue generated by Mohawk Online is invested back into the community to help create a better future for the people of Kahnawake. Revenues received from Mohawk Online's first year of operations exceeded expectations and have already produced tangible benefits within the community.

Always a leader in player protection, with the assistance of Micki Oster, one of the most respected individuals in the gaming industry, the Kahnawake Gaming Commission has continued to enhance its Dispute Resolution and Player Self-Exclusion Programs. The Commission is the only regulatory body in the world that as a matter of full transparency publishes annual statistics detailing the number, type, and resolution of player complaints. The Commission's Player Self-

Exclusion Program is available to players for the online sites licensed by the Commission and for the poker rooms within Kahnawake.

Presently, aside from bingo and local raffles, no other forms of land-based gaming are permitted in Kahnawake. However, consideration is being given to a large scale resort that would include a casino facility and to permitting other forms of gaming within the existing poker rooms. Consultations are underway and, as is always the case, these new initiatives will only be approved if it can be demonstrated they will be properly regulated and will benefit the community of Kahnawake.

In addition to the tangible benefits, Kahnawake's exercise of jurisdiction over gaming has put the community on the international map. For this relatively small Indigenous community, the recognition and respect it has earned—from players, regulators, and governments around the world—has been priceless.

Kahnawake has always recognized the value of dialoguing and, wherever possible, cooperating with regulatory agencies in other jurisdictions. Over the years, the Kahnawake Gaming Commission has signed Memoranda of Understanding or exchanged letters of mutual cooperation with regulatory agencies in Antigua, Malta, Alderney, Jersey and several Tribal and First Nations entities. These relationships have proven to be beneficial on many occasions.

Within the past two years, the Kahnawake Gaming Commission exchanged letters of mutual recognition and cooperation with the Division of Gaming Enforcement for the State of New Jersey—one of the oldest and most respected gaming regulatory agencies in North America. As a result of this positive working relationship, the Kahnawake Gaming Commission retained George Rover, recently retired Deputy Director of the Department of Gaming Enforcement, to act as a special advisor—to assist the Commission in enhancing its regulatory procedures and in forging new relationships with other US agencies.

Within the past few months, in an effort to build bridges with the province of Québec, Kahnawake has entered into discussions with Loto-Québec about the possibility of

establishing a working relationship. This is an exciting, and long overdue, development.

Bottom line, and this is important: everything that Kahnawake has accomplished in the gaming industry over the past generation has been grounded on its own inherent Indigenous jurisdiction—a jurisdiction that is recognized in the Canadian Constitution and, more recently, in the UN Declaration on the Rights of Indigenous Peoples.

In fact, Mohawk gambling traditions date back many hundreds of years before the European colonization of North America. Historic evidence confirms that betting on games of skill and chance has always been integral to the Mohawk culture. Games such as lacrosse—sometimes called “the little brother of war” were used for high-stakes ‘winner take all’ events between Mohawk and other Indigenous communities and were often used as a means of resolving conflicts. Games were always subject to a complex set of rules and were closely monitored by designated officiants.

This is also important: everything that Kahnawake has built and developed over the years has been entirely with its own ingenuity and resources with no assistance—no loans, subsidies or handouts—from any outside governments or banks. The gaming industry in Kahnawake was built on Mohawk ingenuity, resourcefulness and determination.

In short, the development of online and terrestrial gaming in Kahnawake is a success story—a model for what can be accomplished by an Indigenous community that takes charge of its own economic development and exercises its own jurisdiction. With the way it has developed, and continues to develop, the gaming industry in its Territory, Kahnawake has played a winning hand for its community. **CGI**

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