

California Indian casinos embroiled in turmoil

By Scott Smith, AP

When it comes to controlling California's flashy Las Vegas-style casinos, the stakes are enormous for tribes who own the gambling operations that collectively generate billions of dollars a year to sustain Native Americans up and down the state.

With this backdrop, several tribes in the past two years have fallen into nasty, sometimes violent, power struggles pitting factions and families against one another.

The most recent case, involving the Picayune Rancheria of Chukchansi Indians near Yosemite National Park, climaxed in an armed raid on Oct. 9 by one faction that caused gamblers to flee, leaving their chips on the table.

The National Indian Gaming Commission, which regulates Indian casinos, and a federal judge shut down the Chukchansi Gold Resort and Casino, citing safety concerns. Charges have been filed against 15 men – two tribal council members, the tribal police chief and a hired security team that included a former sheriff's deputy and onetime Marine, and a former Navy Seal.

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In this photo taken Thursday, Nov. 20, 2014, a sign is shown at the main entrance to the shuttered Chukchansi Gold Resort and Casino in Coarsegold, Calif. Federal officials closed the casino in October citing safety reasons when an armed faction of the Picayune Rancheria of Chukchansi Indians launched a raid, attempting to take control of the casino. Experts say historical factors and a recent influx of money, which provides income, jobs, housing and benefits to many tribal

members, has helped spark internal friction among tribes. In this photo taken Thursday, Nov. 20, 2014, a sign is shown at the main entrance to the shuttered Chukchansi Gold Resort and Casino in Coarsegold, Calif. Federal officials closed the casino in October citing safety reasons when an armed faction of the Picayune Rancheria of Chukchansi Indians launched a raid, attempting to take control of the casino. Experts say historical factors and a recent influx of money, which provides income, jobs, housing and benefits to many tribal members, has helped spark internal friction among tribes. | Scott Smith AP Photo

The casino remains closed – with estimated losses in the millions each week – because rivals have yet to diffuse what U.S. District Judge J. Lawrence O’Neill of Fresno called an “explosive keg” of emotions.

“It’s a classic struggle over money and tribal rights and control for what everybody recognizes is a very lucrative enterprise,” said Denise Runge, a gambling industry researcher at Helena College University of Montana.

Congress passed the Indian Gaming Regulation Act in 1988, setting the stage for sovereign Native American governments to open full-blown casinos.

Indian casinos generated \$28 billion last year from 449 casino operations in 28 states, according to the National Indian Gaming Commission.

About 65 Indian casinos in California took in one-quarter of those earnings at nearly \$7 billion. California outperformed the Las Vegas Strip, which drew \$6.5 billion last year, says a University of Nevada, Las Vegas, Center for Gaming Research report.

Experts say this influx of money, which provides, jobs, housing and benefits to many tribal members, has helped spark friction.

“All of a sudden, you’ve got a government with a lot of responsibility and a lot of clout that didn’t develop over decades like a lot of our other government institutions,” said Phil Hogen, former chair of the National Indian Gaming Commission.

Simmering tensions erupted last month at Chukchansi when a security team led by former tribal leader Tex McDonald stormed the casino. They were armed with firearms and stun guns and detained security officers.

Madera County Sheriff’s deputies intervened. Prosecutors filed charges, including kidnapping, false imprisonment and assault against the men. Most have been arrested or have surrendered. McDonald is in jail with bail set at \$2.4 million. His attorney did not respond to requests for comment.

Meanwhile, Chukchansi’s financial losses are unclear because Indian casinos are not required to disclose earnings.

But its 1,800 slot machines could generate over \$130 million annually, not including table games, hotel stays, food and drink sales, estimated Cheryl Schmit, director of Stand Up for California, which pushes for gambling laws to be properly followed.

Chukchansi’s turmoil isn’t unique. Sheriff’s deputies earlier this year headed off a standoff among armed and masked members of the Paskenta Band of Nomlaki Indians and their hired security forces. The confrontation at the Rolling Hills Casino, north of Sacramento, emerged in a struggle for control of the business and the tribe’s assets, including a \$3 million jet, 162 ounces of gold and \$3,300 monthly payments to adult tribal members. One faction accused the other of launching a cyberattack.

In Oroville last year, a group at the Berry Creek Rancheria protesting their disenrollment barricaded themselves inside tribal headquarters next to the Gold Country Casino & Hotel.

An 11-hour standoff ended when sheriff's deputies threw in a grenade and arrested 20 people.

Both Northern California casinos remained opened.

Tribal clashes are rooted in history, Schmit said. The U.S. government broke its promises to give Indians land, she said, and sanctioned tribal groups with members who were not affiliated. Schmit said the government sowed the seeds of conflict and hasn't helped resolve modern disputes.

"Certainly, tribes in California have suffered generational trauma for it," Schmit said.

O'Neill, citing concern for the casino's out-of-work employees, expressed exasperation with the leadership vacuum of the Chukchansi tribe, the Indian Gaming Commission and his court, which has limited jurisdiction over tribal affairs.

The federal Bureau of Indian Affairs and the Indian Gaming Commission did not respond to requests seeking comment.

Tribal affairs attorney Gabriel Galanda said some lawyers are exploiting casinos to run up fees.

"It's all by design, lawyers and lobbyists taking advantage of a void of law and order in Indian country," said Galanda, who represented an ousted faction of the Paskenta tribe. "This is happening in too many places, too frequently. I guarantee you that Chukchansi is not the last of them."

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