

## Indian Gaming

By Jack Newfield

Native Americans were exterminated and massacred in a 19th century genocide. Indian Removal was the national policy of five presidents, who forcibly cleared land for white occupation from the Appalachians to the Mississippi.

Then for much of the 20<sup>th</sup> century, a thousand Hollywood films depicted Indians as aggressive savages ambushing and looting wagon trains of striving pioneers.

During the 1960s, there was economic ruin on almost all reservations. The rates of unemployment, school dropouts, suicide and alcoholism were higher than in America's inner cities, which were then rioting in protest of their intolerable living conditions.

And for the last three years American Indians have been duped, fleeced and exploited by right wing Republican lobbyists Jack Abramoff and Mike Scanlon. They have been Custers with blackberries.

Abramoff is a prominent lawyer, lobbyist, fund-raiser, and conservative movement strategist, and Scanlon, is the former press aide to House Majority leader Tom DeLay. Between them, they have been paid over \$50 million by five tribes with gambling casinos since 2001. They were paid for their influence with the Bush administration and Rep. DeLay.

This is the story of the corruption of public funds; of the predatory K Street lobbying culture; of the American right wing's alloy of ideology and greed; of what happens to the most vulnerable among us in a closed world that is de-regulated, or unregulated by the federal government; and of the latest screwing of Native Americans.

It is also the story of the biggest and newest mother lode of campaign money in American politics — Indian tribes with casino revenue. There are now 220 of these tribes, that generate \$16 billion in annual gambling revenue, and have made more than \$13 million in campaign contributions

since 2000.

As sovereign nations, the tribes are exempt from application of the McCain-Feingold campaign finance reform law.

Moreover, 300 groups are now petitioning for recognition as official tribes with the Bureau of Indian Affairs. Groups claiming to be tribes have quadrupled since Congress legalized Indian gaming in 1988. Most petitions have been rejected on grounds of ambiguous racial ancestry.

The BIA, staffed largely with politicians recommended by gaming lobbyists who double as campaign consultants, controls everything about Indian gambling. The BIA approves gambling compacts, tribal recognitions when lineage is murky, decides who the legitimate tribal leaders are when they are factional conflicts, approves investors in casinos, and can grant land to landless tribes to build casinos. Fortunes are made and lost on these politicized rulings. Indian gambling is virtually a form of state capitalism.

In the case of the 800-member Coushatta tribe of Louisiana—and perhaps others—Abramoff and Scanlon were paid out of federal funds intended for health care, education, and housing for often impoverished rank and file tribal members. According to tribal records, Scanlon's main consulting company—Capital Campaign Strategies-- was paid between \$18 and \$21 million, over a 24-month period. Abramoff has been paid about \$13 million by this one tribe, according to incomplete auditing records.

Abramoff and Scanlon demanded huge monthly retainers of \$150,000 a month, based on their insider access to Congress and the Bureau of Indian Affairs. During the Clinton administration, when gaming politics were also played, Indian lobbyists were getting paid about \$15,000 a month. The exorbitant nature of Abramoff's fees generated outraged envy among rival lobbyists, who started feeding tips to journalists.

Now the FBI and a federal grand jury sitting in Washington are investigating Abramoff, 45, and Scanlon, 33, for crimes like fraud and money laundering. And the senate's Indian Affairs committee is preparing

for a public hearing on September 14.

The stench from this swamp briefly hit a few newspapers last March when Abramoff was suddenly evicted from his powerhouse Washington law firm, Greenberg Traurig, despite his enormous billings, estimated at \$20 million a year. His partners found out that he had taken at least \$10 million in payments from Scanlon without telling them, according to Sen. John McCain, a member of the Indians Affairs committee. The amount of kickbacks now appears to be more than \$20 million, according to investigative sources, who have seen e-mails, computer discs, and billing records provided by Greenberg Traurig.

About \$30 million of these tribal payments have gone to the teams less sophisticated junior partner –Scanlon—because as a campaign consultant and public relations executive, he does not have to make any public disclosure. Abramoff, as a lobbyist, was required to make full disclosure of fees from clients like the low-wage, sweatshop haven the Northern Mariana Islands, a U, S, Commonwealth. From 1995 to 2002, Abramoff was paid \$100,000 a month by the government of the Mariana Islands to keep them exempt from American minimum wage laws. At the same time, Abramoff also lobbied to keep his tribes exempt from minimum wage laws and from the unionization of casino workers.

According to tribal members in Michigan, Louisiana, and California, Scanlon's role was to help elect pro-casino factions in tribal elections, and then get his client faction to hire him and Abramoff after they won. In other circumstances, Abramoff was hired first and he then persuaded his clients to hire Scanlon for mailings, public relations, letter-writing campaigns, and access to his database.

In 2002, Abramoff's biggest tribal client—The Coushattas of Louisiana—made a stunning \$1 million “donation” to something called the Capital Athletic Foundation in Washington, DC. This foundation was created to help “disadvantaged inner city kids,” Abramoff said. Abramoff and his wife Pam were the only trustees of the foundation.

But this foundation, in turn, donated \$1 million to an orthodox Jewish private school called the Levi Eshkol Academy. The Coughatta's health, education, and housing money were ending up financing a religious school 1,000 miles away, unrelated to Indian traditions or needs. The school abruptly shut down last May, stiffing some teachers on part of their salaries. Abramoff was the president of the academy, and a trustee of the Torah School of Greater Washington. He also owned two Washington kosher restaurants—Stacks Deli and Signatures.

Prosecutors and senate investigators are trying to trace if any of the Coughatta's funds ended up subsidizing these personal ventures; dissident leaders of the tribe believe this is exactly what happened.

Elected Coughatta tribal council member David Sickey told the Nation, "I still can't understand why \$1 million was contributed to Abramoff's school that tapped sacred tribal funds that should have been used for our education. He coerced tribes to contribute to his private schools and pet projects, and that's disgusting. Indian assets and resources should be safeguarded from people trying to enrich themselves at the expense of native people."

Two other leaders of the tribe—secretary-treasurer Harold John and Ben Langley—say other elected leaders were excluded from the decision-making involving Abramoff and Scanlon. They say that two leaders, William Worfel and Lovelin Poncho, dealt in secret with the Washington lobbyists and would not disclose any financial records to members of the tribe.

A 2003 audit by the Coughatta's former controller, Erick LaRocque, found the tribe had a \$40 million deficit, and that "operating equity and cash reserves have suffered significant decline." The audit reported that \$24 million had been taken from the tribe's education, health, and housing funds and, "There is no documented plan for reimbursement,"

The Coughatta's own and operate the Grand Casino in Kinder, Louisiana, the state's largest land-based casino that generates more than \$300 million in annual revenue.

In another possible money laundering transaction that has provoked a half

dozen subpoenas, the Coushattas “donated” \$556,000 to an unknown Delaware think tank called the American International Center, according to an audit of the tribe. The “think tank” had produced almost no policy work of substance during the one year it existed. It had nothing to do with Native Americans. It was located on property Mike Scanlon owned. And it was run by a former lifeguard and a former yoga instructor. The yoga instructor, Brian Mann, says he also did part time research for Scanlon, mostly consisting of surfing the Internet for articles on Indian gambling.

The center closed in mid-2002, but continued to pay Abramoff lobbying fees for another year. Over two years, the center paid Abramoff \$1.5 million in lobbying fees, although the purpose seems hard to fathom.

Scanlon was 28 years old when he was Rep. DeLay’s press secretary during the Clinton impeachment fight. Long Island Republican congressman Peter King, who was one of just four House Republicans who voted against Clinton’s impeachment, told the Nation, “Scanlon threatened to get me after my vote. He was a punk staff kid saying I would lose my committee assignment because I went against DeLay.”

Since this scandal broke, Scanlon has not been so cocky. He has not returned phone calls from reporters for months, and seems to be in hiding.

The casino tribes represented by Abramoff and Scanlon made about \$2 million in contributions to Republican campaign entities, and conservative organizations. Scanlon’s company donated more than \$500,000 to the Republican Governor’s Association in 2002, but only disclosed this year. This was all money tribes had paid him. The Saginaw Chippewas donated \$18,000 to Rep. DeLay’s PAC, Americans for a Republican Majority, and \$25,000 to Grover Norquist’s anti-tax group. Abramoff has personally contributed to 30 Republican senators, PACs, and congressmen, including senators Arlen Specter, Christopher Bond, John Ensign, Jim Bunning, Charles Grassley, and Richard Shelby; Congressmen Tom DeLay, Ernest Istook, Richard Pombo, Doug Ose, and Dana Rohrabacher; and DeLay’s Americans for a Republican Majority PAC.

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The thing that is wrong with Jack Abramoff is the thing that is wrong with the Republican right wing in America the last 20 years. Abramoff's career is the personification of avarice, piety, antagonism to the poor, tactical cunning, and no sense of limits.

In the early 1980s, Abramoff was the chairman of the College Republican National Committee for four years. He was an orthodox Jew and magna cum laude graduate of Brandeis University, but his closest ally in that role was Ralph Reed, who would go on to found the Christian Coalition and collaborate with Abramoff in many lobbying projects and political campaigns. In a sly stealth fashion, the vehemently anti-gambling Reed has even worked with Abramoff's casino tribes.

Copies of canceled checks, invoices, and billing records obtained by the Nation show that Reed got money from Scanlon's companies for helping steer business and oppose certain casino projects that would have competed with tribes who hired Abramoff and Scanlon, Reed got at least \$1.2 million, including \$250,000 indirectly underwritten by the Mississippi Choctaw tribe, to stop a competing gambling project in Alabama.

Reed's companies received these payments from various Mike Scanlon-related companies, for grassroots work opposing casinos in Louisiana, Alabama, and Texas, in circumstances that benefited other and bigger casino clients of Abramoff and Scanlon. (See my earlier article, *Ralph Reed's Gamble*, the Nation, July 12),

According to an August 8 story by Shawn Martin in the local American Press of Louisiana, Scanlon paid Reed's company \$618,000 on July 1, 2001, and \$450,000 on November 8, 2001. The payments were for Reed's work against casino projects by the Alabama-Coushatta tribe, and the Jena Band's Louisiana casino. Scanlon's Capital Campaign Strategies company also paid Reed's Capitol Media company \$160,000 on February 25, 2002. For months Reed has been denying these payments from Scanlon took place.

Reed is now managing the Bush-Cheney campaign in five southern states, and his lucrative and secretive alliance with Abramoff and Scanlon could become a campaign issue. It certainly should make Reed look like a hypocrite to his evangelical Christian base that abhors the sin of gambling.

In 1985 Jack Abramoff became the founding chairman of the International Freedom Foundation (IFF). This group defended white supremacy in South Africa, and spread propaganda that Nelson Mandela was a communist. It was eventually revealed by the South African truth commission that the IFF was secretly funded by South Africa's Apartheid government, although it never registered as a foreign agent in the United States.

When this secret subsidy was disclosed in 1995, Abramoff attacked Nelson Mandela, claiming his government was trying to smear American conservatives. At the time, Abramoff was the paid lobbyist for the corrupt and tyrannical government of Mobutu Sese Seko in Zaire.

Abramoff then spent several years in Hollywood as a movie producer. His most visible venture was a hyper-violent piece of propaganda called "Red Scorpion." This sub-Rambo trash featured Adolph Lundgren as a communist killing machine in an Angola-like country split by a civil war. Several profiles say that Abramoff helped organize anti-communist factions in Angola while he worked in the Reagan administration.

Abramoff's film was rebuked by the United Nations and picketed in Washington because the military hardware used was loaned to Abramoff by his friends in the Apartheid regime of South Africa.

When the Republicans captured the Congress in the 1994 elections, and DeLay became the GOP whip, Abramoff returned to Washington as a lobbyist with the firm of Preston, Gates, Ellis & Rouvelas. His deep ties to the right wing were now in demand in the new Congress of Newt Gingrich and Tom DeLay.

To make the A-list of Washington influence peddlers you need one go-to guy in power—and Abramoff had DeLay. And he was not shy about hyping

this relationship to impressionable tribal leaders.

Abramoff and DeLay shared the same ideological vision of creating one ruthless, favor-trading machine of lobbyists, fund-raisers, big business, and right wing Republicans hunting together on legislation.

Abramoff did have total access to DeLay's office. DeLay went with him on junkets to the low-wage Mariana Islands. In May of 1999, when he DeLay held an emergency fund-raising meeting with 20 right wing lobbyist s to raise money for ten pro-impeachment incumbents loyal to him, Abramoff was there, locking in fund raising commitments for the next 30 days, as DeLay's favorite lobbyist who acted like a staff member.

In 2003, Abramoff introduced DeLay at a meeting of College Republicans. Abramoff said, "Tom DeLay is who all of us want to be when we grow up."

. Insiders realized Abramoff was in deep trouble by the alacrity with which DeLay disowned him, when the Washington Post ran a story on Abramoff's staggering fees from tribes last February, and mentioned his ties to DeLay.

In January of 2001 Karl Rove was looking for an assistant to serve as his West Wing gatekeeper, so Abramoff recommended his own assistant, Susan Ralston, and Rove hired her. Abramoff had all the access he wanted.

In April of 2002, the New York Times ran a favorable profile of Abramoff, that surely got him more clients, under the selling headline: AT \$500 AN HOUR, LOBBYIST'S INFLUENCE RISES WITH GOP.

Abramoff confided to his profiler, David Rosenbaum, that, "All my political work is driven by philosophical interests, not by a desire to gain wealth."

This has obviously changed—or was never true. Abramoff also told the Times that his religion, not his politics, is the central element of his life.

The Times article did contain one negative quote, from California congressman George Miller. Rep. Miller had tried to pass legislation that repealed the Mariana Islands' exemption from minimum wage laws. The



biggest industry in these islands is the manufacture of cheap clothes by Chinese immigrant women working in horrendous sweatshop conditions. These garments are then imported to the United States duty-free, and with “Made in the USA” labels.

The women are paid \$3 an hour, work 70 hour weeks in unhealthy conditions with no overtime and no health insurance, are billed for their food and housing, have no rights, and can be fired or not paid at all on the whim of an employer. They are serfs. They drift into prostitution to survive.

With considerable help from Tom DeLay, Abramoff’s lobbying killed this humane legislation in 1995 after the senate had passed it. So a still angry Congressman Miller told the Times, “He (Abramoff) spent a lot of time, effort, and money to protect a system that was a growth industry for sex shops, prostitution, abuse of women, slavery, illegal immigration, worker exploitation, and narcotics. And he did it all in the name of freedom.”

These Asian women were getting paid \$3 an hour, while Abramoff was getting paid \$100,000 a month by the Marianas’ government, and \$160,000 a year by the Saipan Garment Manufacturers Association, to keep them in penury.

But Jack Abramoff’s day of reckoning is coming soon.

And perhaps Ralph Reed’s and Tom DeLay’s, too.

