

NOTE: This is an historical document from 2003. Mr. Anzures now is employed at the DOE in Cincinnati.

TIME SPECIAL REPORT: PORTRAYS MISCONCEPTION OF INDIAN GAMING AND TRIBAL SOVEREIGNTY

Indian Gaming report by Richard Anzures, DOE, Rocky Flats

Initially, I only utilized the two special reports on Indian Casinos from Time magazine, issued December 16, 2002 and December 23, 2002, respectively. The title: "Look Who's Cashing In at Indian Casinos." However, after further research, I discovered there has been considerable feedback from tribal leaders on the special reports, including articles, letters [one from the Chairman of the National Indian Gaming Association (NIGC)]. Most of the feedback is that the articles misrepresent the facts presented in the article, and believe the article did a disservice to native Americans. Some feedback has been positive, however, you can see for yourself by either reading the reports or taking a look at the excerpts from the summary of the Time Special Reports below.

Initially, the purpose of writing this article was to help non-Indians understand the misconception that native Americans are getting rich because of the casinos operating in reservations throughout the United States. Many Americans believe the tribes do not need Federal program benefits because of the abundance being reaped by Indians from the Indian casinos. The money earned by the casinos is helping the Indians in many ways, specifically, in reducing welfare and unemployment on some reservations, where there was abundant unemployment and welfare. Some of the wealthier tribes support universities with endowments and scholarships, provide educational grants, support road and highway projects, meaning they use the wealth wisely. However, the December 2002 Time special reports failed to point out pertinent facts, including why tribes decided to implement gaming and the restrictions the Federal government has implemented. The main problem was the understanding of the basic premise of tribal sovereignty. The National Indian Health Board Chair person summarized it that the Time special report ". . . fails to present an accurate depiction of the federal government's trust responsibility to American Indians and Alaska Natives, and fails to provide the historical basis for Tribal governments to regulate and permit activity within their own jurisdictions."

Native American Rebuttals to Time Special Reports

The NIGC Chairman on behalf of 184 tribes sent a letter expressing dissatisfaction with this special report. The main point expressed in the letter is that Indian gaming was not instituted by the Federal government; it was implemented by tribes to generate revenue for their communities. The Indian Gaming Act was passed to limit tribes' sovereign right to enact gaming on their lands, and to assist states to participate in the regulation and profits of those casinos. The Federal government program benefits are attempts to live up to the thousands of treaty obligations incurred when establishing the land base for this nation. Indian gaming is working in Indian country and also for America.

Tex Hall, President, National Congress of American Indians, was interviewed December 18, 2002, on C-Span. He provided statistics refuting claims that the \$12 billion Indian gaming industry hasn't made a positive impact in Indian country. He stated the Indian gaming industry is ". . . helping tribes become self-sufficient like no other enterprise ever has or no other federal project in the last 200 years has." Mr. Hall is also the chairman of the Mandan, Hidatsa and Arikara Nation of North Dakota. He stated his tribe's casino employs more than 400, 90 percent of whom are native American or tribal members. The tribe's CEO was a waiter 10 years before he started college and now has his masters because of gaming proceeds. In addition, Mr. Hall stated the Time report left out key details stating that Indian gaming is triply regulated, not only by NIGC, but also by states and tribal governments, and spends a total of \$212 million.

In summary, the Indian gaming was established by tribal governments to assist native Americans to provide more opportunity for tribal members where none existed. Maybe, the Indian gaming has failed to achieve the intended goal of the Federal government. My auditor side: I believe that every business (including Indian gaming) should continue to learn from mistakes, put in place internal controls and regulate effectively, but we must first understand Tribal responsibility and sovereignty. Therefore, I leave you with a quote from the Dorreen Yellow Bird Column, Grand Forks Herald, December 21, 2002 "Tribal governments have a tall order. They must resist the overwhelming draw of the power of wealth and remember the reasons they decide to dance with the devil."

Time Special Report

Casino gambling isn't all it is rigged up to be! To the native American, it surely isn't. Not many native Americans have benefited from casino earnings, which was the very reason the Federal Government instituted Indian casinos in the first place. However, the ones that have prospered have been the silent investors who profit the most from the casinos and very few Indians.

At the end of the 1980s, the Federal government perceived Indian reservation gaming as a "cheap way to wean the tribes from government handouts", encourage economic development and promote tribal self-sufficiency. Therefore, in 1988, Congress enacted the Indian Gaming Regulatory Act after policy initiatives by the Reagan Administration and two United States Supreme Court rulings. The Act was poorly written, full of loopholes and subject to conflicting interpretations, which exists to the present day. The Act does not regulate casino gambling, but rather has created chaos, abuse, and a useless National Indian Gaming Commission to oversee and enforce Indian gaming.

The 2001 statistics are as follows:

Revenue is lopsided:

- Of the total casino revenue earned of \$12.7 billion from 290 casinos, 39 of those casinos generated the majority of the revenue or \$8.4 billion. This translates to 13% of casinos accounted for 66% of the take.
- Indian casinos in 5 states with almost half the Native American population (Montana, Nevada, North Dakota, Oklahoma, and South Dakota) account for less than 3% of all casino proceeds, (Average of \$400 per Indian)
- Indian casinos in 3 states with only 3% of the Native American population (California, Connecticut and Florida) account for 44% of all casino proceeds. (Average of \$100,000 per Indian)

The majority of Indians get nothing:

- Dozens of casinos do little better than break even because they are too small and located too far from a population center.
- Only half of all tribes (1.8 million members) have casinos.
- Some tribes do not have casinos due to religious reasons. This includes the Navajo, the country's largest tribe (which explains why there are no casinos during my drive through northern Arizona).

Therefore, the Act which was supposed to raise most Native Americans out of poverty failed, and has created the following:

- The Rich Get Richer. In 2001, aid to Indians was \$9.4 billion. While federal recognition entitles tribes to a broad range of government benefits, there is no means testing. In many cases more money went to wealthy members of tribes with lucrative casinos than to destitute Indians.

- Politicians. Millions of dollars being poured into state and federal political campaigns by wealthy Indian gaming tribes. In 2000, tribes spent \$9.5 million on Washington lobbying.
- Gaming Tribes as Exclusive clubs. Indian tribes are free to set admission rules to tribes without regard to Indian heritage
- Gold Rush. Casinos can be opened only by a federally recognized tribe, therefore, numerous groups including long-defunct tribes and extended families have gone to the Bureau of Indian Affairs or Congress seeking certification. The total number of tribes has risen 23% to 337, and 200 additional groups have petitioned for recognition.
- The Impotent Enforcer. The National Indian Gaming Commission (NIGC) is useless because it has a small budget (capped at \$8 million) and few employees (63 employees) to monitor a multi-billion cash business, 300 casinos and small gaming establishments throughout the United States.
- Non-Indian Wins, Indian Loses Again. Many non-Indian investors are earning millions of dollars from the Indian casinos while most Indians continue to live in poverty.
- Fraud, corruption, intimidation. Abuses from the Indian country go undetected, unreported and unprosecuted. Indians who challenge the system are often intimidated, harassed and threatened with reprisals or physical harm.

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