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Casino Tribes Try to Keep Entire Pot

The wealthy groups use political clout to stymie efforts by poor Indians to open own facilities.

By Dan Morain, Times Staff Writer

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With her kerosene lantern, Francine Kupsch helped lead California Indians into the golden era of casino riches.

A film crew recorded Kupsch as she used the lamp's glow to teach her young son to read and talked about how gambling profits would bring electricity to her reservation: "We'll have a refrigerator."

The commercial was beamed across the state several years ago as tribes asked California voters to legalize Nevada-style gambling on their land. "I felt honored," Kupsch said. "Now I don't. It gives me that nauseated feeling."

Six years after voters said yes, Kupsch is little better off and feels that she was a pawn. The closest she has come to the promise that casinos would bring self-reliance was eight months' work at a gambling palace near Temecula, a 45-minute drive away.

As a member of the Los Coyotes Band of Cahuilla and Cupeno Indians, she is on the poor side of a divide. Gambling has brought some Native Americans wealth that was unimaginable 10 years ago. Others have been unable to get a piece of the action; only 9% of Native Americans in California directly benefit from tribe-owned casinos, according to a recent state report.

As the wealthy groups expand their gambling empires, they are using the power that comes with money to keep the poor tribes out. They hire blue-chip lawyers, lobbyists and public relations experts to promote their cause in Sacramento, where permission to own casinos is granted. They give millions in campaign cash to lawmakers who approve and block tribal pacts.

"The rich tribes are denying us a future," said Mike Jackson, president of the Quechan Tribe in the far southeast corner of California. "Money has pushed tribes apart."

Wealthy tribes pay into a fund that grants \$1.1 million a year to each tribe that lacks a casino or has a small one. But for the 3,000 or so Quechan members, it's not much.



BITTER MEMORY: Francine Kupsch, who in a TV ad more than six years ago talked about how tribal casinos would end her poverty, remains on the poor side of the divide between wealthy and poor tribes in California. At her left is the trailer she lived in.

On the rich side of the divide, Jacob L. Coin, communications director of the San Manuel Band of Serrano Mission Indians, said Indian gambling was never intended to be “a share-the-wealth program or a welfare program for all Indian tribes.” The San Manuel casino abuts San Bernardino and is one of the busiest in the state.

“No tribe is guaranteed a successful casino,” Coin said. “There are some tribes that are poorly located, and there are some tribes that are especially favorably located. The law basically understands that.”

Gov. Arnold Schwarzenegger’s administration is fashioning deals to grant thousands more slot machines to rich Southern California Indian bands, including the San Manuel. The governor agreed this month to allow the Agua Caliente Band of Cahuilla Indians to increase its Palm Springs-based operation to include three casinos and 5,000 slot machines, up from its existing two casinos and 2,000 slots.

Tribes are not required to publicly report their gambling profits. But a single slot machine can generate \$350 in profits a day, or more. Multiplied by 5,000, that’s about \$640 million a year.

The Agua Caliente pact passed the state Senate on Monday and is expected to receive final approval from the Assembly this week. Poor tribes’ pending compacts have languished for more than a year.

The Agua Caliente have spent \$24 million on state campaigns since 1998, when Kupsch’s commercial first aired, including \$16,000 donated to lawmakers since Schwarzenegger announced his deal with the tribe.

“These tribes do not want competition,” state Sen. Roy Ashburn (R-Bakersfield) said. “And I think they’re using the influence that they have to stop it.... It’s not any more complicated than that.”

Tribes across the state have been caught in the maelstrom.

In California’s southeast corner, the Fort Yuma Quechan Indian Nation has 3,250 members and a 45,000-acre reservation that bridges California and Arizona. At California’s northwest edge, the Yurok tribe has 5,000 members and a reservation that straddles the Klamath River, a mile wide on each side. They are the state’s two largest tribes.

Schwarzenegger struck deals with the Yurok and Quechan last year that would have permitted each to build casinos on their own land. Last year, rich tribes’ leaders and their representatives, operating from the office of state Senate leader Don Perata (D-Oakland), lobbied against the two tribes’ deals. The legislative session ended without a vote on either.

“It’s frustrating to have tiny tribes that have benefited so much from gambling stop a far larger tribe such as the Yurok,” said Sen. Wes Chesbro (D-Arcata), who has tried to shepherd the Yurok compact through the Legislature.

The Yurok have an annual budget of \$12 million — less than what one of its opponents, Agua Caliente, spent on a failed 2004 initiative campaign to gain unlimited gambling rights. Eighty percent of Yurok homes lack electricity, and 75% of the tribe’s members have no jobs or phone lines, according to a recent report by the California Research Bureau, an arm of the state library. The tribe wants a 350-slot casino.

“It never entered my mind that we would be challenged,” Yurok Chairman Howard McConnell said, sitting in his office in Klamath, near the mouth of the Klamath River and Redwood National Park.

The Quechan have two casinos, one in Arizona with 475 slot machines, and a smaller one across a narrow walkway in California. The enterprises employ 170 of the tribe's people. The tribe also owns agricultural land that produces lettuce and melons.

But the Quechan still struggle: Unemployment is 67%, and 40% of adults have diabetes. Quechan leader Jackson scoffed at the notion of his tribe handing out fat campaign donations to get the third casino it wants.

"We've got to feed our people," he said.

The tribe believes it can improve things if it can open up to 1,100 slot machines on tribal land off Interstate 8 in California. It envisions a hotel, golf course and water park.

The governor approved the plan, but Jackson saw the power of the rich tribes again this year, when an Assembly committee refused to put it to a vote in June.

"We got the door slammed because of the almighty dollar," Jackson said.

The Quechan tribe, like the Yurok, still hopes that its pact will pass the Legislature in the next two weeks, before lawmakers adjourn for the year.

Rich tribes also oppose two other deals the governor struck with poor tribes, which would allow off-reservation casinos. Those pacts involve the Los Coyotes band and the Big Lagoon Rancheria.

No tribe has less than Francine Kupsch's Los Coyotes. About 70 of the 380 members live on the 25,000-acre reservation in homes built with federal aid. Many collect welfare. They receive federal commodity cheese and charity turkeys at Thanksgiving.

Casino developers have concluded that the land, in the northern San Diego County mountains, is too remote to support a casino. The nearest settlement is Warner Springs, down a narrow road. The closest city is Temecula, 40 miles away.

Now, Los Coyotes hopes to open a casino in Barstow, off Interstate 15 between Los Angeles and Las Vegas. That proposal is controversial — the desert town is two counties and more than 100 miles from the reservation. The group would need permission from the U.S. Interior Department for an off-site casino, but Congress is considering banning off-reservation gambling.

Schwarzenegger suggested that the 21 Indians who make up the Big Lagoon Rancheria join Los Coyotes in the Barstow project. The lagoon that gave the tribe its name is 700 miles from Barstow, in Humboldt County in far Northern California, and Schwarzenegger was hoping to preserve their stretch of largely undisturbed coast.

Each band could have 2,250 slot machines in the Barstow deal. But the compacts announced last year to allow the deal have languished in the Legislature.

In May of this year, San Manuel donated \$1 million to California campaigns, dividing the money between Democrats and Republicans. In June, San Manuel and other tribes with casinos denounced the compacts before a legislative committee. One who testified, Vincent Duro of the San Manuel band, has been appearing in television commercials that describe charity work paid for by San Manuel.

“That’s the terrible part about this,” said Kevin Siva, a Los Coyotes leader. “It is our own people who are fighting us.”

Assemblyman Joe Coto (D-San Jose) led the legislative opposition to the Los Coyotes-Big Lagoon deal, which failed. The previous December, San Manuel had given \$295,000 to a political action committee he chairs. Coto declined to discuss the matter.

Big Lagoon Chairman Virgil Moorehead is holding on to his artist’s rendition of a casino with 250 slot machines and a hotel with 50 or 70 rooms. He agrees with environmentalists that the tribe’s 20 acres of coastal land — forested with redwoods, spruce and alder and surrounded by parks — is not a good place for a casino.

But unless he can move to Barstow, Moorehead said, “this is what I’m left with.”

Barstow’s City Council, believing that a casino would bring jobs, has embraced the gambling proposal. A Detroit development group, BarWest LLC, is financing it in exchange for up to 30% of any profits.

Los Coyotes and Big Lagoon make no apology for working with well-heeled developers. They need someone with expertise. Besides, not many fellow Indians have lent them a hand.

Coin, San Manuel’s communications director, said he has no problem with either tribe building a casino, only not in Barstow. He contends that Barstow is part of San Manuel’s ancestral land, though others dispute that.

The San Manuel tribe “has a first and primary obligation to its own tribal nation, its own tribal government,” Coin said. “Protecting ancestral land is one of the basic tenets of that responsibility.”

Coin’s concept is difficult for Kupsch, who supports herself as the Los Coyotes tribal secretary, to stomach.

In 1998, Kupsch lived with her two small children in a tiny trailer at the edge of the Los Coyotes reservation. Water came from a garden hose, light from her lantern.

When pro-gambling operatives wanted to turn her story into a 30-second television spot, she was happy to play her part.

Kupsch now lives in a manufactured house. It has electricity, but a tarp covers a front window to keep the weather out. She wonders when her tribe might benefit from all the riches.

“I got a complimentary copy of the commercial,” she said. “So I have that as a memento.”