

Few tribes share casino windfall

By Michael Rezendes, Globe Staff, 12/11/00

ADDO COUNTY, Okla. -- As the autumn wind whips rain clouds over this endless plain of wheat, cotton, and cattle, Ruth Ahkeabo Gonzales steps from the abandoned minibus she calls home and casts a worried look at the horizon once ruled by her Kiowa ancestors.

"Winter's coming and I don't have any heat in this place," she says.

Heat wasn't much of a problem for the 54-year-old Gonzales until last June, when the small trailer she and her husband lived in burned to the ground during an electrical fire, forcing their move to the battered minibus. Ever since, Gonzales has pleaded for help at a government-funded Kiowa tribal housing agency and received little for her trouble.

"I hope they do something soon," she says, pointing toward a makeshift outhouse barely concealed by a plastic tarp. "I hate living this way."

Gonzales' plight is hardly unique in the rural areas that are home to most Native Americans. While a few dozen tribes lucky enough to own reservation land near major population centers make headlines with gambling casinos generating mind-boggling wealth, the vast majority of America's Indians remain mired in poverty, victimized by ill-conceived federal policies and a gathering backlash spurred by the myth that Native Americans everywhere are cashing in.

In fact, 13 years after the US Supreme Court opened the door to Indian gaming, two-thirds of the 558 federally recognized tribes have no involvement with gambling -- including several of the larger western tribes traditionally associated with Indian Country. And of the tribes that are betting on Lady Luck to turn their economic fortunes around, a mere 22 are generating more than half of all Indian gaming revenues. Connecticut's Mashantucket Pequot and Mohegan tribes, each with only a few hundred members and ideally situated between the New York and Boston metropolitan markets, together account for about 20 percent of the estimated \$10 billion raised through Indian gaming this year.

By contrast, tribes of the Greater Sioux Nation, with thousands of members in North and South Dakota, run about a dozen gambling halls but generate comparatively little in the way of revenue because of the tribes' stark isolation. At the same time, Navajo Nation, with some 200,000 members and a reservation larger than Rhode Island, has voted down proposals for Indian gambling on moral grounds.

Congress and the Reagan administration embraced Indian gambling as a vehicle to foster tribal self-sufficiency in 1988, after a decade of steadily cutting per capita spending on six major programs for Native Americans from about \$6,000 to \$3,000, measured in 1997 dollars -- a time when spending on social service programs aimed at the rest of America continued to rise.

The result: Untold riches for a few, smaller tribes, annual revenues of \$100 million or more for a couple of dozen additional tribes near major urban centers, and continued poverty for the vast majority of Indians spread out across rural America. Indeed, a Globe analysis shows that 12 years after the federal government made gambling a staple of its Indian policy, the overall portrait of America's most impoverished racial group continues to be dominated by disease, unemployment, infant mortality, and school drop-out rates that are among the highest in the nation.

For the Kiowa, like most tribes, Indian gambling today is simply the latest in a century-and-a-half of unfulfilled promises by whites who control the federal government. Their particular broken dream looms on the outskirts of the prairie town of Carnegie, a sleepy enclave of churches, farming cooperatives, and about 1,500 residents where a one-story structure once known as the Kiowa Grand Entertainment Center stands shuttered and empty.

In a drama that has pitted Kiowa against Kiowa and drawn the eye of the US attorney in Oklahoma City, the National Indian Gaming Commission closed the Kiowa Grand last spring amid charges by some Kiowas that others had stolen more than \$2 million in casino money.

A criminal probe by the Federal Bureau of Investigation hasn't stopped Billy Evans Horse, the 67-year-old Kiowa tribal chairman, from continuing negotiations with a Palm Beach, Fla., company to finance a much larger gambling hall on Kiowa land closer to Dallas-Fort Worth. But Horse's 36-year-old nephew, Shan Gachot, a rival who managed the Kiowa Grand for 10 months and called in the FBI, has asked federal Indian gaming officials to delay approving any new Kiowa gambling facilities until the criminal investigation is completed.

"Common sense says we should cease all gaming until this situation is cleared up," Gachot says.

A proud warrior heritage

The story of Indian gaming here is as much a tale of federal policies that have led to great inequities among gambling tribes as it is a tale of potential criminal wrongdoing.

At about 11,000 strong, the Kiowas today are what remain of a proud and feared warrior tribe of the Southern Plains. Throughout the 1800s, nomadic Kiowa fighters roamed as far north as Montana and as far south as Mexico, living off buffalo while raiding settlers and Indians alike for horses and whatever else they could plunder.

Even today, Kiowas remain proud of their warrior heritage, insisting they were never decisively defeated by United States forces and bowed to reservation life only after the vast buffalo herds of the Plains had been decimated by whites. "It's been recorded that we killed the most whites of any Indian tribe in America," boasts Ernest Toppah, director of the Kiowa museum at the tribe's Carnegie tribal center.

After decades of failed attempts by the federal government to adapt Kiowas to farming, tribal members are still roaming. Only instead of searching for buffalo and horses, they are scouring the South and the Southwest for jobs. With welfare and low-paying farmwork the main

opportunities for unskilled Kiowas -- and with many farm jobs being snapped up by Mexican labor -- Kiowas routinely set out for Dallas, St. Louis, and Southern California, hoping to land jobs as mechanics, carpenters, and factory workers.

"We're on the bottom of the totem pole around here," explains Horse, a full-blooded Kiowa who has served as tribal chairman for most of the last decade. "There are no factories so the only work is farm labor and a lot of that doesn't even pay minimum."

Typical of many Kiowas, Horse spent most of his working years traveling between Oklahoma and out-of-state industrial cities. After an unsuccessful stab at farming -- Horse says he didn't have the money or know-how to stop insects from ravaging his crops -- he worked as an auto mechanic, a carpenter, and even a St. Louis prize fighter, before returning to Carnegie to work in tribal government.

"I'm a jack of all trades but it doesn't mean a thing," he says, echoing the bitterness of many tribal members who have tried their hand at a variety of jobs but have little to show for decades of work.

The anger at the heart of Kiowa life stems in part from federal policies that have led to the gradual loss of millions of acres of reservation land throughout the 20th century. Acting to assimilate Indians into American society, federal authorities at the end of the 19th century broke up the Kiowa and other reservations by awarding 160-acre "allotments" to Indian families and encouraging them to farm.

But the Kiowas never adapted to farming, and allotments over time were divided among Indian heirs, sold off, and leased to white farmers. Now, the Kiowas find themselves spread over a checkerboard landscape of white-owned farms, Indian allotments, and small bits of tribal land. "We've had to sell our land just to make ends meet," Horse says. "And the farmers are still waiting on it today -- just like vultures."

Longstanding resentment

Like many other tribes in the early 1980s, the Kiowas began trying to make ends meet by operating a standard-issue bingo hall -- replete with paper bingo cards. Back then, up to 150 gamblers from the Carnegie area would crowd into a gymnasium at the Kiowa tribal center for the chance to win prizes that topped out at about \$100.

But today, while other tribes have graduated to highly lucrative Las Vegas-style casinos, the Kiowas and other Oklahoma tribes find that longstanding resentments over tribal land policy have been compounded by inequities in the way the federal Indian Gaming Regulatory Act has played out. That's because the 1988 act that regulates Indian gaming, is applied differently depending on what kind of gambling a state has already approved. And Oklahoma, unlike some other states, has been able to limit Indian gaming to bingo and electronic gaming machines, which are less profitable than Las Vegas-style slots.

It's an especially bitter pill for Indians here since the story of Oklahoma is intimately entwined with the tortured history of Native Americans. In the 1830s, five Southeastern tribes that had taken up Christian ways and lived in agricultural settlements -- the so-called five civilized tribes -- were marched at gunpoint, often in the brutal winter months, to what is now Oklahoma to make way for white settlers moving into Georgia and neighboring states. Thousands died along the infamous "trail of tears" in one of the most shameful chapters in America's treatment of Native Americans.

Later in the century, as white America pushed inexorably west and buffalo were hunted to near-extinction, the US Army herded the tribes of the Great Plains -- including the Comanche, Apache, and Kiowa -- onto reservations in what was then referred to as Indian Country and what is now officially Oklahoma.

By 1990, about a quarter of a million Indians from 39 tribes made their homes here. Yet Oklahoma tribes have been unable to open full-fledged Las Vegas-style casinos. Under federal Indian gaming law, states are required to negotiate "compacts" with tribes that want to operate Class III gambling facilities -- those featuring slot machines, parimutuel betting on horse and dog races, or card and dice games played against the house.

But the law also says states are under no obligation to agree to forms of Indian gaming that the states have not approved for other groups. Thus, states such as Oklahoma that do not run state lotteries and outlaw charity Las Vegas nights have no obligation to negotiate compacts for full-fledged Indian casino gambling.

That explains why Connecticut, with a mere handful of tribes, each with only a few hundred members, is home to the Foxwoods Resort Casino, the largest and most profitable in the world. At the same time Oklahoma, with 39 tribes and the largest population of Native Americans of any state except California, generally restricts Indian gambling to bingo and certain electronic gambling machines.

Today, some 20 Oklahoma tribes are running Class II gambling halls and generating modest returns, but nowhere near the riches collected by Connecticut tribes. And because Oklahoma voters recently defeated a state initiative to legalize both Indian and non-Indian casino gambling, struggling tribes here in the heart of Indian Country are unlikely to hit the gambling jackpot any time soon.

Nevertheless, the Kiowas cling to the belief that even the smaller profits from Class II gambling could provide a weapon against the high unemployment and substandard living conditions that afflict tribal members throughout the area.

Margie Large, a retired cafeteria worker living in a rundown tribal housing development in the city of Anadarko, says she's tired of waiting for a tribal agency to repair a leaking roof, broken windows, and window casings that are being eaten away by termites. "If we had gaming that was honest and the money was going where it was supposed to, we could have these things," she says.

But honesty and gambling don't always go hand in hand. Over the last decade, tribes from coast to coast have been victimized by outside criminals who have skimmed Indian gaming money, or by Indian leaders themselves who have found the temptation to dip into newfound tribal wealth impossible to resist.

In Carnegie, much of the alleged thievery reported to the FBI appears to have been perpetrated by tribal leaders who treated the money flowing into the Kiowa Grand as petty cash for everyday personal expenses. A list of disbursements apparently kept by a casino employee, provided to the Globe and the FBI, names dozens of tribal members who received casino cash for a variety of purposes, including utility bills, medical expenses, flowers, a tuxedo, and a homecoming gown -- all in the range of a few hundred dollars or less.

But Gachot says an audit performed by a private Oklahoma City accounting firm shows that sums much larger were taken, and blames Horse for failing to implement standard operating procedures that would account for all casino revenue.

"When I got in there, there were no background checks, no audits, and no internal controls," Gachot says. "It was just a free-for-all."

Horse counters by accusing his nephew of permitting the casino to run illegal Class III slot machines and insisting that if money was taken from the Kiowa Grand, the total amount would run to "a few thousand" dollars, not millions. "We don't know that any money is missing," he says. "That's an allegation that's been made to the media and the FBI."

Lured back by gambling

In the tradition of thousands of Oklahoma Indians before him, Gachot followed a long and winding path before returning home. Fleeing a bleak future, he left the state at 19 and moved in with relatives in Little Rock, Ark. There, he worked as a diesel mechanic, a county police officer, and a sales rep for Keebler cookies. But after visiting Indian casinos in Louisiana and Mississippi, including one managed by the Tunica-Biloxi tribe, Gachot joined a growing generation of younger Native Americans who have been lured home because of Indian gambling.

Although he says his sights were set on running the Kiowas' gambling operation, Gachot also took up the cause of improving life for average tribal members while returning to his Native American roots. Once back home, he grew his black hair and had it braided down the center of his back -- like other Kiowa men -- and took up the study of the Kiowa people. At the same time, he convinced tribal officials to allow him to manage the Kiowa Grand.

But Gachot soon found himself feuding with fellow Indians. While fighting to convince the National Indian Gaming Commission that the tribe's gambling machines qualified as Class II devices, he took on tribal members over lax accounting he says he found at the casino. Before long, he found himself at bitter odds with many tribal leaders, including his uncle, over who should oversee casino revenues.

Last February, four months after taking over as manager, Gachot delivered 15 boxes of Kiowa Grand records to federal authorities and asked for a criminal probe into the casino's previous management. But he didn't get one right away.

Reflecting a general reluctance on the part of the Department of Justice to become involved in supervising Indian gaming, Gachot says, federal authorities in Oklahoma City initially shelved allegations surrounding the Kiowa Grand. "The information I delivered lay dormant for three months," he says. "We felt that because we were Native Americans they weren't going to do anything with it."

Gachot adds that it was only after he and a couple of dozen Kiowa allies threatened to protest outside the US Attorney's office in Oklahoma City that the FBI began a criminal probe that now appears to be in full swing. "We're conducting a very extensive and thorough investigation and when we're done we'll be prepared to submit whatever we find to the US Attorney," says FBI spokesman Gary Johnson.

Now, despite a calamitous experience with gambling, both Gachot and Horse refuse to relinquish their faith in Indian gaming as a means to a better way of life for the Kiowas. Gachot, recounting a visit to an Indian gaming casino in rural Louisiana, hopes that when the dust settles from the federal criminal investigation, a re-opened Kiowa Grand will defy available evidence that says Indian casinos in rural areas can't raise much money. "You open a casino and people will come," he insists, "no matter where it is."

Horse, making his rounds at the tribal center, surveys a wall of 19th-century photographs recording the last fearless days of the Kiowas, when they still ruled the Southern Plains.

Then he saunters into a cafeteria where elderly tribal members are gathered for a lunch of government surplus lima beans, spinach, and chocolate pudding -- for many, the only meal of the day -- and tells a few friends about negotiations with a Palm Beach company interested in building a new Kiowa casino.

"They'll provide all the financing and create 600 jobs," he says. "Tell me what's wrong with that."

Tomorrow: The bloodline fight.