



Photos

by Dale G. Young / The Detroit News

Former Sault Ste. Marie Mayor Verna Lawrence, a Sault Chippewa tribal member who was kicked off the board, criticized the way Tribal Chairman and Chief Executive Officer Bernard Bouschor conducts the tribe's business in secret.

Tribe CEO rules with iron grip

By Melvin Claxton and Mark Puls / *The Detroit News*

SAULT STE. MARIE — As leader of the Sault Ste. Marie Chippewa Tribe, Bernard Bouschor is called chairman of the board, not chief. It is a title more befitting a corporate head than the tribe's top elected leader.

Since the tribe was federally recognized in 1976, he has gone from its part-time bookkeeper to chairman and chief executive officer, controlling a multimillion-dollar empire that includes six casinos and 13 other businesses.

The powers granted the 52-year-old Bouschor as the head of a tribal government far exceed that of most elected officials. With no independent court, police, auditors or justice department within the tribe to answer to, he has amassed incredible economic and political clout.

Civil rights and legal recourses taken for granted by many Americans are often nonexistent on reservations, where tribal leaders control everything.

"I would call Bernard a dictator, because everything that happens is on Bernard's orders. Everything goes through him," said tribal member Robert Lambert, who tried to run against Bouschor but was prevented by tribal rules Bouschor himself helped enact. "Our tribal leadership does not benefit the members, they are there to benefit themselves."

Bouschor has used this unfettered power to keep tribal members in the dark about his financial dealings, co-opt fellow board members and compensate himself well.

He makes \$100,000 a year as tribal chairman and CEO. He gets another \$167,000 as the tribe's chief operating officer for casino operations. He received a 33-percent raise as chairman a year ago, which came with more than \$165,000 in back pay.



Six

casinos, including the Kewadin, above, are part of the empire of Sault Ste. Marie Chippewa leader Bernard Bouschor.

Bouschor also gets a \$450-a-month allowance to cover the cost of driving between the tribe's five voting districts in the Upper Peninsula. At one time, he even had a clothing allowance.

The chairman's benefits are in sharp contrast with those of the people he serves. For most tribal members, the personal benefits from the tribe's newfound wealth have been few.

Fifteen years after the tribe opened its first casino, the majority of its members still qualify for some kind of federal assistance. There is no profit-sharing plan for distributing casino revenues to members, unlike the Saginaw Chippewas in Mt. Pleasant whose adult members get \$52,000 a year from their tribe.

The tribe's largest housing development — the 170-home Odenaang project in Sault Ste. Marie — is funded mainly through a federal program for low-income families. Most tribal members still depend on Medicare for their primary health coverage and two-thirds of the tribe's health services budget is federally funded.

Some of the tribe's most needy — its elders — receive only a \$100-a-month stipend from a federal land trust payment.

Even the tribe's proudest accomplishment, the creation of more than 2,900 jobs in the Upper Peninsula comes with a caveat. Most of these jobs are entry-level or minimum-wage positions in the tribe's hotels and five Kewadin casinos and offer little room for advancement.

Although Sault Chippewa tribal businesses generated \$175 million last year, after paying their operating expenses and debt, only \$30 million was available for the tribes' general fund to cover salaries and services. By contrast, the tribe received \$75 million from federal grants, land trust payments and other sources.

Operating in secrecy

In his 13 years as chairman, Bouschor has used his sweeping powers to negotiate deals on his own, tightly manage all tribal information and commit the tribe to multimillion-dollar projects without the approval of the board. He has also punished political enemies and used appointments to key tribal positions as a tool to reward supporters and silence critics.

With few in the tribe willing to challenge him, Bouschor has repeatedly acted beyond the scope of the powers of his office. Although he is required to get board approval for million-dollar investments, he often seeks such approval only after he has reached a deal.

Yet, board members have never officially reprimanded or punished him. Not even after the Gaylord Casino deal.

Few board members knew of the tribe's plan four years ago for a \$31-million-dollar casino in Gaylord until it was revealed in the media. Although the tribal chairman admits spending at least \$50,000 on the secret deal that never materialized, an angry protest over Bouschor's actions by board member Aaron Payment went nowhere.

Payment summed up the board's frustrations in a Sept 7, 1999, memo to fellow board members.

"Yesterday, I first became aware of the Sault tribe's plans to develop a \$31 (million) casino in Gaylord, Michigan," he wrote. "I first heard about the Gaylord casino on the news. Apparently, the tribal chairman decided it was within his discretionary authority to allocate resources, research the possibility, negotiate with township officials, decide to develop a casino make a public announcement — all without any (involvement) of the tribe's governing body, the board of directors."

Payment, who has since been appointed the tribe's deputy executive director by Bouschor, has refused to comment on his letter to colleagues or their lack of action on the issue.

Controlling information

Refusals to comment are common among tribal officials.

Though Bouschor had little to say to The Detroit News for this report, he tried to head off possible questioning of his leadership by warning tribal members that the newspaper may publish a critical article. Using his column in the tribe's newspaper on Nov. 6, Bouschor wrote, "They (The Detroit News) will probably say our Government lacks balance, gives too much power to elected officials and as a result may be open to abuse. My response is that every government is subject to such challenges.... If members have any questions about the article please call or write my office."

Bouschor has left most of the talking to outside media to communications director John Hatch, whom he hired. Hatch also oversees the tribe's newspaper and works closely with the chairman.

Hatch said because the tribal government operates businesses, some of its transactions and deals are proprietary and must be kept secret.

But he said for the most part, tribal members can have access to most information about the tribe with little hassle.

This is hardly the case. Bouschor's iron-tight grip on information has made it difficult to examine the tribe's operations and finances.



Tribe members Rob Lambert, left, and Elliott “Tony” Grondin Jr. of St. Ignace said Bouschor’s control extends to who is allowed to see the tribe’s finances and run for office.

A Nov. 4, 1998, memo captures the extent of Bouschor's control. The memo, addressed to all department heads, states that no one — not even board members — are to be given information without his knowledge.

“Any request for information that you or an individual you supervise receives from a board of director member is to be faxed to me at my office prior to providing information. The nature of the request and information to be given will be tracked. If the director should call, document what is requested also and fax it to me.”

The memo offers keen insight into how Bouschor micromanages information and has been able to keep many of the board's financial deals from public scrutiny and criticism.

Sault Chippewa member Elliott Grondin of St. Ignace experienced this firsthand when he inquired about the operations of one of the tribe's casinos.

He sent a letter to each member of the tribal board in 1999, asking to review the accounts of the Kewadin Casino in St. Ignace and for a list of the tribe's assets and debts. He was denied that

information, but given a copy of the tribe's annual report, which does not give a comprehensive financial accounting of the tribe's holdings.

"I wanted to take a certain business like a casino enterprise or something like that and get down to some line-item figures," Grondin said. He was told he had to talk to Bouschor.

"Bernard actually said that I was more or less denied because it had to be a reasonable request. Well, I don't know how more reasonable you could get," Grondin said. "I wanted to know what the revenues were and what the overhead was. I wanted to know what was coming in from the coin machines and what was coming in from the tables."

Bouschor said the tribe's financial books are open to any tribal members who visited tribal offices.

"When individuals ask for information we provide as best we can," Bouschor said. "Obviously, it may not suit what they think is appropriate or enough."

Grondin said he's been given several excuses why the books are not available.

"They say that they are totally open, that people can come down and look at the books, but they can't," he said.

Hatch called Grondin's request a fishing expedition.

He said as the only Indian tribe in the country with a casino off the reservation, all the tribe's businesses and leaders are closely scrutinized by state gaming regulators.

But the details of these audits are not open to the public, said Nelson Westrin, executive director of the Michigan Gaming Control Board.

Limiting opposition

As one of the longest continually ruling tribal leaders in Michigan, Bouschor has survived many electoral challenges to his power. His ability to stay in office is due in part to a 16-year-old election ordinance he helped pass that has eliminated thousands of potential opponents.

In 1984, the year before the tribe opened its first casino, board members — including Bouschor — passed an ordinance cementing their hold on power by effectively blocking more than two-thirds of the tribe's 29,000-members from running for office.

Although membership in the tribe is open to anyone who can trace their ancestry to early tribal members, the law required that all political candidates be at least 1/4 blood Indian. Bouschor and eight other board members met that requirement, according to the tribe's enrollment office, which they oversee.

The four members on the board at the time who didn't meet the requirement got an exemption.

Under a special provision, sitting board members didn't have to meet the blood quantum requirement as long as they remained in office and didn't lose an election. At least one member of the board who was allowed to keep his seat under this provision is still in office.

The new ordinance further limited the number of office seekers by requiring them to live for at least a year in the Upper Peninsula district in which they run. Because fewer than 10,000 tribal members live within the tribe's five voting district, two thirds of the tribe can not hold office.

Lambert, 38, of St. Ignace, ran into this requirement when he tried to challenge Bouschor for tribal leadership in 1996. Tribal leaders prevented his name from being put on the ballot because he lived in Wyandotte at the time and not within one of the tribe's Upper Peninsula districts.

Not only was Lambert blocked from running, but he believes his opposition to tribal chairman Bouschor has led to the harassment of his family. The tribe's enrollment office last year wrote his father, Willard Lambert Jr., requesting that he prove his lineage to the tribe because the office couldn't find his paperwork.

It is not the first time Bouschor has been accused of punishing political enemies. He has had those who oppose him kicked off the board or targeted for defeat in elections.

Former board member Beverly Louis said she was expelled from the board at Bouschor's insistence in 1993. Her only crime, she maintains, was running afoul of Bouschor.

"I asked Bernard about his salary on several occasions," recalls Louis. "He got angry and said his salary wasn't my concern. What I discovered was that the more I questioned him about his salary and other matters, the more I got excluded from board functions."

Finally, in November 1993, Louis was charged with trying to undermine the tribal government. After a 112-hour hearing, she was impeached and removed from the board.

"I was elected by the people, but that didn't make a difference to board members," Louis said. "Bernard wanted me off, and that was enough."

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Sault Ste. Marie Chippewa tribe reservations

About one-third of the 29,000-member Sault Ste. Marie Tribe of Chippewa Indians lives near reservation land in five Upper Peninsula districts. The tribe operates a casino in each area, which includes Sault Ste. Marie, St. Ignace, Manistique, Hessel and Christmas.



Source: Detroit News research

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