



Photos by Clarence Tabb Jr. / The Detroit News

**Bernard Bouschor, chairman of the Sault Ste. Marie Chippewa Tribe, with Ted Gatzaros at left and with Dimitrios Papas at right, says he made the best deal he could with the businessmen for the purchase of Greektown Casino.**

## Chippewa's, Greeks have long history of secret ventures

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

**DETROIT** — Many Sault Ste. Marie Chippewa's still have no idea how Detroit businessmen Ted Gatzaros and Dimitrios Papas parlayed political connections, mortgaged properties and \$24,500 into \$265 million of the tribe's money.

When Gatzaros and Papas ran into major snags last year in their attempts to obtain a Michigan gaming license, their involvement in the Greektown Casino was clearly in serious jeopardy.

A litany of past financial troubles threatened to end the longtime partners' bid to become 40-percent owners, along with their wives, in the city's third casino. The two Greek businessmen faced a dilemma.

If their application for a gaming license was rejected, state law would compel them to sell their shares for no more than their original investment. If they sold before the Michigan Gaming Control Board reached a decision, there was no limit on the selling price.

Because Gatzaros and Papas had brought very little cash to the table, their options appeared to dwindle as the deadline for the board's decision neared.

With the clock ticking against the two businessmen, in stepped their longtime partner — Sault Chippewa Chairman Bernard Bouschor.

Under Bouschor's direction, the tribe, which already owned 50 percent of the casino project, opted to buy out Gatzaros and Papas. The tribal chairman and the Detroit businessmen have a longstanding relationship, dating to 1987 when they began working together to get a Detroit casino.

Sault Chippewa tribal members who are footing the bill are not allowed to know why the tribal leadership gave the Greeks a 40-percent stake in the casino deal in the first place or why the tribe paid so much to buy them out. Bouschor reached the deal behind closed doors.



David

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**The Greektown Casino opened one year ago after Gatzaros and Papas reached a closed-door deal with Bouschor for the tribe to buy out their interest.**

Ten percent of the Greektown Casino is owned by local black investors. The Greektown deal highlights one of the major concerns tribal members have about their government. They complain that leaders repeatedly hide or conceal details of business deals, leaving them in the dark about decisions that could affect not only their lives, but those of generations to come.

Bouschor says many details of the negotiations are proprietary and cannot be revealed. Not even, he says, to the people he represents.

Gatzaros and Papas too have refused to talk about the deal and their relationship with Bouschor.

Bouschor insists the tribe made the best deal it could. He said that when the deal was struck the tribe already had invested more than \$240 million in the construction of the casino and couldn't afford any delays in its opening.

“We were building a project we wanted to open,” Bouschor said. “We had to make the choice, do we want further delays, or do we want to take some action in order to acquire that interest in that property in order to open?”

But tribal members say their leaders misspent millions of dollars of their money.

“It is ludicrous, absolutely ludicrous,” said tribal member Thomas Bruning of Rogers City. “This absolutely came out of my pocket. There was no referendum on this money. Members had no say.”

The Greektown deal followed a long history of secretive business ventures between Bouschor, Gatzaros and Papas.

Although Bouschor and the Greeks began working on plans for a Detroit casino in 1987, Sault Chippewas — including board members — knew nothing about the negotiations until they were revealed in newspapers and on television in 1992.

At the time, the tribe and the Detroit businessmen wanted to create an Indian reservation in Greektown for a casino. Gov. John Engler eventually killed the deal in 1995.

Tribal spokesman John Hatch defended the secrecy of the deal with Gatzaros and Papas, saying the tribe’s leaders didn’t want to tip business competitors of their plans.

This wasn’t the only time that tribal leaders made sizable investments with the Greeks and kept it hidden from members of the tribe.

There also was a deal in Greenville, Miss.

In April 1996, Bouschor, Gatzaros and Papas formed Sunstar Resort Casino to operate a floating casino in Mississippi. Although the Greeks and the tribe were listed as the shareholders, it was the tribe which put up all of the funds — more than \$1 million — to purchase a casino barge. Even after the money was spent, tribal members were told nothing of the venture.

The only public announcements were legal notices that appeared on April 28, May 5 and May 12, 1996 in a Mississippi newspaper, the Delta Democrat-Times. The notices, required by state gaming laws, listed Bouschor as chairman, president and chief executive officer; Gatzaros as secretary and chief operating officer; and Papas as treasurer and chief financial officer.

Mississippi Gaming Commission records show Sunstar’s application on the agenda for its May 16, 1996, meeting. But no casino license was ever granted to Sunstar because its officials failed to turn in necessary documents, according to the commission’s records.

The Mississippi deal was shelved when tribal leaders and the Greeks decided to put their efforts into a state-wide referendum to approve gambling in Detroit, spokesman Hatch said.

Although the tribe was paying thousands of dollars in security and maintenance for the boat, tribal members were still clueless about their out-of-state investment.

In August 1997, officials in Mississippi's secretary of state office suspended Sunstar corporation for failing to file an annual report. Three months later, when it was clear that the company had no intention of doing business in Mississippi, the secretary of state dissolved it.

Still tribal members were told nothing.

A news release written in 1996 to announce the purchase of the barge was never made public, said Hatch. It was slated for release, he said, only if the tribe obtained a gaming license in Mississippi. The tribe never got a license and leaders never bothered to tell members how they spent their money.

Tribal leaders continued to keep their silence until the barge was put up for sale in 2000. It was sold earlier this year for a loss of more than \$800,000.

Once again, tribal members were left in the dark as to why they had to foot the entire bill for a business venture in which their partners brought little to the table and would share in the profits.

“In the case of Mississippi,” Hatch said. “The Greeks brought the deal to us. We thought at the time it made sense and decided to go after it.”

