

Florida casinos hold good hand in slump

By Nick Sorta
South Florida Sun-Sentinel

FLORIDA — Like the rest of the U.S. economy, the casino industry is tumbling. But while gambling revenues may dip in South Florida, the outlook isn't as bad here, Wall Street casino analysts predict.

One reason: South Florida casinos rely on locals, not tourists, to keep them afloat. So higher airfares aren't in play, said Adam Steinberg, director of Morgan Joseph & Co.'s investment banking group in New York.

"The typical South Florida casino visitor, the local retiree, is actually fine in this economy," Steinberg said. "They're hurt more when there's inflation.

"For tourists, gambling here is a secondary activity, not something you come here specifically to do," he said.

The Wall Street analysts spoke Tuesday at the Seminole Hard Rock Hotel & Casino in Hollywood as part of the Florida Gaming Summit. The day centered on the future of gambling in Florida, including the status of a compact between the Seminole Tribe and the state, and the outlook for Florida parimutuels.

Like everywhere, money will be tighter here, the speakers said. For example, industry leaders Harrah's, Boyd Gaming and MGM Gaming have put the brakes on expansion in other parts of the country because credit has dried up, and fewer Americans have cash to burn on a gambling trip. Revenues are down at destination casinos, such as in Atlantic City and Las Vegas.

Overall, the casino industry could have its first true market correction, said James Allen, CEO of gaming for the Seminole Tribe. He said eight casinos have called him recently inquiring about rolling themselves into the Seminoles' operation.

"You wake up and say, 'This is getting a little bit scary,'" he said. He noted that the stock market fell almost 800 points during trading Monday before recovering to close down 370 points.

Allen and the Wall Street panel distinguished the Seminole Indian casinos, which are not taxed by the state, from the three Broward racinos, which pay more than 50 percent in taxes. The Hard Rock name and the Seminoles' venture into entertainment, for example, also have prepared them for a gambling slowdown, Allen said.

"Hard Rock is the hottest brand in the world right now," said Allen, noting the Hard Rock name logged 8.8 billion mentions in the media worldwide in the past year.

The Seminoles don't release revenue figures but, according to the Casino City's Indian Gaming Industry Report, the eight Indian gambling facilities in Florida garnered \$1.6 billion in 2007. Slot revenues at the three Broward racinos are down about 8.5 percent for the past three months compared with the same three months in 2007; poker revenues, computed for the entire state, have improved 7 percent over about the same period. Broward racinos took in \$246 million in slots for 2007-08 fiscal year, and Florida parimutuel poker rooms earned \$90 million.

But there'll be some adjustments, senior analyst Joel Simkins of Macquarie Capital USA said. Restaurants that casinos have operated at a loss to attract gamblers might have to pull their own weight, or be outsourced. And if unemployment keeps rising in Florida, then the picture could be bleaker here, he said.

"The one thing the gaming industry has been able to demonstrate is that it will survive," Allen said.

Wealth breeds 'poverty of soul'

By Stephen Magagnoli
Sacramento Bee

SACRAMENTO, Calif. — Ten years after the casino cash started flowing, the Rumsey Band of Wintun Indians' good fortune is on display across the peaceful Capay Valley.

Thanks to their Cache Creek Casino Resort — which makes about \$300 million a year and is scheduled to expand — each of the 26 adults in the 60-member nation gets about \$1 million a year after taxes, more if they're on the tribal council or committees. They get a travel allowance to expand their horizons to Tahiti, Europe or anywhere they desire.

They own luxury cars, custom homes on the rancharia and second homes elsewhere. They send their children to a first-class private school that offers their Patwin language and native flute taught occasionally by Grammy winner Mary Youngblood.

But CEO and Chief Marshall McKay sees trouble behind the opulence. The demons of the past that have plagued his tribe since they lived in trailers and scrounged for work haunt them still: diabetes, substance abuse, fierce family feuds and chronic apathy.

"I call it wealth shock ... the poverty of the soul," said McKay, who's fighting to save his nation by pushing cultural rebirth and education. "I stress to members we can do a lot of damage by providing too much."

Only three tribal members have finished high school since the casino money started rolling in. They know they'll never have to work as long as they stay out of jail.

Wealth shock in Indian country is a largely untold story — members fiercely guard their privacy, and their finances.

But it's a challenge facing several thousand California Indians whose

Vegas-style casinos — which grossed nearly \$8 billion in 2007 — have given them per-capita incomes far greater than Qatar, the world's leading country at \$81,000 a year.

"The whole group of gaming nations are struggling with this in a very serious way — some successfully, some unsuccessfully," said McKay, 56. "I don't want to give a talented young person a disincentive to go to college."

A bear of a man with shoulder-length hair, McKay embodies the new breed of gambling chiefs.

While entranced slot players fatten up the tribe's 2,700 slot machines two miles down Highway 16, McKay strides through his 21st-century Indian village in a black tailored suit.

Where trailers once stood next to a tomato field, there are 18 courtyard homes on Wintun Circle with native accents and symbols.

To promote a sense of community, no fences divide the yards. The houses seemingly flow together, with soaring roofs that evoke the wingspan of an owl or eagle.

The village includes a swimming pool where tribal members get free swimming lessons, as well as a basketball court, sports field and cultural center.

McKay pauses at the tribe's man-made waterfall.

"I love the sound," he said. "I miss it from Cache Creek, where we used to play. I come up here in the evening. It's so relaxing."

This private enclave of overnight millionaires seems light years away from the days when their ancestors suffered slavery, slaughter and brutal resettlement.

To make up for stolen lands, the federal government created dozens of rancharias or mini-reservations for destitute Indians.

It established the Rumsey

Rancharia in 1907 on a hard slice of Capay Valley miles from the tribe's original villages. For decades the tribe lived in shacks and had to haul water two miles from a pump in Rumsey.

When the Rumsey School said it didn't want Indians in 1912, the Bureau of Indian Affairs opened a school in Guinda to teach Indian children how to become domestic help.

The tribe's reversal of fortune began in 1985 when it opened one of the first Indian bingo halls in California. Congress legalized Indian casinos in 1988, and in 1989 tribal members got their first monthly dividends from bingo revenue.

Under Paula Lorenzo, who became chief in 1993, the tribe became an economic and political powerhouse.

A one-time welfare mom, Lorenzo raised three children with the earnings she made picking fruit and washing dishes. As chief, she led the tribe in the creation of the casino resort, custom homes and private K-12 school.

Lorenzo doesn't have to work — when she left office in 2006, she was making \$2 million a year. But she's one of the few tribal members to start a business. She and her husband, Jerry Tackett, love to cruise America on custom motorcycles and recently opened the Road Trip Bar and Grill. It's a lively roadhouse on Highway 16 in Capay that employs 20 people.

Lorenzo shares McKay's views on the challenges of overnight riches.

"What I didn't want the tribe to do was create a welfare state in our community," she said at the counter of her new restaurant.

"Getting money when they turned 18 wasn't helping them — they were attracting the wrong crowd. I wanted them to go to college and there was no incentive, so they quit school."

She instituted a sliding scale for gambling payouts starting at \$1,500 a

month for 18-year-olds. The more you worked or went to school, the more money you got.

"When we did come into money, probably 90 percent of the tribe was addicted to drugs and alcohol," she said.

Many are in recovery, including her children.

Her son Leland Kinter said he's seen gambling money warp the tribe's values.

Money "doesn't heal your wounds, it makes them worse," said Kinter. "If you have a million dollars you can have a huge bag (of methamphetamines) and you can kill yourself."

He's been sober for three years, attends the University of California, Davis, and helps run Patwin language classes at the tribal school.

Kinter believes the tribe should use its wealth to help struggling relatives at the nearby Cortina rancharia and other Wintun bands: "We have to save ourselves from the erosion of our core values — greed permeates us now."

Lorenzo's daughter, Yvonne Perkins, became a single mom at 18 and struggled with meth. She now writes poetry and plans to teach yoga.

"I had really bad grades and I don't know how I made it to the sixth grade," Perkins said. "Maybe it was because I didn't know how to ask for help." She found private boarding schools for her children.

Perkins' son, Raulito Lorenzo, 19, graduated with a B+ average from Landmark School in Massachusetts. He tried college but said he wasn't ready to handle college course work without the help he got at Landmark, and dropped out after a semester.

His sister, Diamond Marquez, 13, goes to a prep school in Southern California. She plans to attend Stanford and follow in her grandmother's footsteps as tribal chairwoman.

Arts alive



Associated Press

Arts Alive, Arizona's premier art and custom framing gallery, received the "Industry Partner of the Year" award from the Arizona North Chapter of the American Society of Interior Designers.

State of Kansas appeals dismissal of challenge to 7th Street Casino

By Rick Alm
The Kansas City Star

KANSAS CITY, Kan. — Kansas' 12-year-old legal challenge to the 7th Street Casino in Kansas City, Kan., isn't dead yet.

The state on Friday formally appealed a Topeka federal judge's Sept. 10 order dismissing the state's case on a technicality.

The one-sentence notice sets the stage for another review by the 10th U.S. Circuit Court of Appeals in Denver, which is no stranger to the case.

The appellate court panel last fall dismissed the state's case on technical grounds. In a concurring opinion at the time, however, two of the panel's three judges agreed that judicial mistakes had hobbled the state's legal position. They urged that the case

be restarted and decided on its merits.

In April, U.S. District Judge Richard D. Rogers agreed and reopened the case. But Rogers last month dismissed the case in a 23-page decision that turned on the issue of the federal government's sovereign immunity from lawsuits brought against it.

Rogers' sovereignty decision, however, was grounded in the same judicial "mistakes" cited by the appellate court, which now gets the case again.

The tribe spent \$20 million remodeling an old Masonic temple across the street from City Hall and opened for business in January.

The state since 1996 has unsuccessfully sought resolution of the key issue in the case. The state contends that the tribe improperly bought

the old lodge building and half-acre tract in downtown Kansas City, Kan., with federal funds that were not allowed to be used for such purposes.

"Federal law provides that only very specific lands may be used for Indian gaming," said Ashley Anstaett, a spokeswoman for Kansas Attorney General Steve Six. "We are appealing because we believe this land does not qualify, and no court has yet decided that question. We would like an answer to that question."

If the state is correct, the tribe would be disqualified for federally approved gambling on the site.

If the tribe prevails, it is expected to seek a compact with the state to upgrade its estimated 500 bingo-based slot machines with Las Vegas-style slots and table games.

Tribe will back Sheriff Big Hair, Crow chairman says

The Billing Gazette

BILLINGS, Mont. — Crow Tribal Chairman Carl Venne says the tribe will support Big Horn County Sheriff Lawrence "Pete" Big Hair, who is the subject of a recall vote.

Big Hair was among a slate of Crow candidates the tribe endorsed when they ran for county offices last year. The recall vote goes before Big Horn County voters Nov. 4.

County residents gathered enough signatures to force the recall. Their petition asserts that Big Hair is not competent and alleges that he has allowed underqualified people to work as deputies and accuses him of breaching a code of ethics.

Big Hair has until the end of next week to submit a statement of justification explaining why he should be retained as sheriff.

He is under investigation by the Montana Department of Justice's Division of Criminal Inves-

tigation at the request of Big Horn County Attorney Georgette Hogan. The investigation started in August and is looking into allegations that he used prisoners to perform private work.

A week before the recall drive began, Big Hair was jailed on domestic-abuse charges involving his estranged wife. The sheriff pleaded not guilty in Crow Tribal Court. His wife, Caroline Big Hair, said she planned to recant her statement and that she lied about being assaulted.

Venne said the way people have "gone after" the sheriff is not good and that Big Hair has not been convicted of anything.

"Politics in Big Horn comes down to if you're red or white," Venne said.

Venne said it might not be good to put an election in those terms, but it's the truth.

"We won't let Lawrence fall if they put it to a vote," he said. "No. We won't hurt one of our own."