

Four tribes raise USD 20 million to defend casino compacts

The referendum battle over a major expansion of Indian casino gambling in California already resembles the stretch run of a bruising political campaign – despite the fact nothing has even qualified for the ballot.

But with signature gatherers circulating petitions for Feb. 5 referendums seeking to stop four of the Golden State's richest tribes from adding up to 17,000 new slot machines, big campaign dollars are flowing and the political vitriol is in full bloom.

The Southern California casino tribes – the Pechanga Band of Luiseño Indians, the Agua Caliente Band of Cahuilla Indians, the Morongo Band of Mission Indians and the Sycuan Band of the Kumeyaay Nation – have already put up USD 20 million to fight the proposed referendums.

Meanwhile, horse-racing interests, the UNITE HERE hospitality workers union and two other tribes – the United Auburn Indian Community near Sacramento and the Pala Band of Mission Indians in San Diego County – have raised more than USD 4.6 million in a bid to qualify the measures.

The proposed referendums seek to overturn gambling agreements – signed by Gov. Arnold Schwarzenegger and approved by the Legislature – that would allow the four Southern California tribes to add between 3,000 and 5,500 new slot machines each.

Opponents of the gambling compacts have until Oct. 8 to gather and submit 433,971 valid signatures of registered voters for four separate referendums.

Petition backers accuse the Southern California tribes of using paid activists to harass and intimidate signature gatherers. The tribes accuse some petition circulators of giving false information on the gambling agreements.

The Pechanga, Agua Caliente, Morongo and Sycuan tribes are already running television commercials in major state markets, hyping the compacts as a USD 9 billion boon to the state treasury through casino revenue-sharing payments over the next 20 years.

Should the measures qualify, opponents have all but promised to run advertisements contrasting the wealth of the four tribes – ranging between USD 200 million and USD 425 million in net slot machine winnings in 2005 – with the hardships of impoverished Indians or smaller gambling tribes.

The opponents' coalition – No on the Unfair Gambling Deals – charges that the casino agreements ignore workers' rights and allow an unprecedented California gambling expansion – surpassing the total slot machines at the Bellagio, MGM Grand, Caesars Palace, Mirage and Mandalay Bay resorts in Las Vegas.

„This is a change in gambling policy that would permit one of the largest expansions of gambling in U.S. history and unfairly benefit four tribes at the expense of others,“ said spokesman Al Lundeen.

Roger Salazar, spokesman for the four tribes' Coalition to Protect California's Budget & Economy, said it has launched a campaign „to let Californians understand the benefits of these agreements“ before waiting to see if the referendums challenging them qualify for the ballot.

„What you have are wealthy gambling interests that don't want competition bankrolling a signature effort,“ Salazar said.

The compacts' opponents include the Pala tribe, a direct casino competitor to Pechanga, and United Auburn – whose

Thunder Valley casino is one of the state's most lucrative. The two tribes, contributing \$ 500,000 each to the referendum drive, charge that side agreements for the compacts violate federal law. And they complain that the Southern California tribes would pay a lower share of slot machine revenues to the state than they do.

While the UNITE HERE union contributed USD 1 million, the largest contributions to the opposition have come from the Hollywood Park and Bay Meadows horse-racing tracks and their property companies, which have raised more than USD 2.6 million.

Greg Larson, a spokesman for Hollywood Park and Bay Meadows, said California's racing industry is suffering financially from competition from the state's fast-growing Indian casino industry and can't compete with out-of-state tracks that augment racing purses with revenue from on-site slot machines.

Larson said the compacts threaten the long-term economic viability of a California horse-racing industry that employs „50,000 middle-class workers.“

Charging that the opponents are gambling investors seeking an edge, Salazar notes that the real estate company of Hollywood Park and Bay Meadows CEO Terry Fancher recently joined in the purchase of the Sahara Hotel & Casino in Las Vegas.

The four south state tribes may have cause for worry from proposed referendums that would require a „yes“ vote to uphold the gambling compacts and a „no“ vote to repeal them.

That is the opposite of the formula for state initiatives – which are often defeated by skeptical voters if there is significant financial opposition against initiative sponsors seeking a „yes“ vote.

„There's no question that when you get into a competitive financial war, the 'no' side usually wins,“ said political

consultant Bill Carrick. „But the irony here is that the people using this process are the 'no' side.“