

referendum to finally decide upon the policies they have already been granted exemption from.

Armtwisting, threats, and blackmail

In the May 18 referendum, only 56.8% of Danes voted in favor of the Maastricht Treaty and the amended Edinburgh Agreement. Taking into account the enormous campaign from the government and the Danish establishment to secure a “yes,” it is impressive that 43.2% of the voters still voted “no.”

While the debate leading up to last year’s referendum largely was focused on the actual content of the Maastricht Treaty and its implications for the future of Europe, this year’s campaign was totally devoid of any content. It is no exaggeration to describe the campaign of the Danish government and industry as blatant threats and blackmail.

According to the arguments of the Danish establishment, the real issues of the May 18 referendum were as follows: If the Danes were to say “no” a second time, the remaining 11 member states of the European Community (or 10 states, if England also stayed out) would immediately proceed to form a European Union without Denmark. Therefore, Denmark would be left out of all major European political decisions in the future. In addition, the country would gradually slide away from all the old EC agreements, like the Common Agricultural Program, as these are replaced with new agreements in which Denmark would not participate. After the other Scandinavian countries joined the new European Union, Denmark would become politically isolated.

Obviously, in these days of worldwide economic depression, the most effective scare tactic involved the economic future of the country. Already during last year’s referendum, wild stories were pushed about exploding unemployment in case of a successful “no” vote. But this year, the same stories were followed up by concrete threats of layoffs from a number of leading Danish industries if their employees voted “no.” On top of this, interest rate hikes, devaluation of the Danish kroner, and other gloom and doom predictions were presented as absolutely unavoidable consequences of a new Danish rejection of Maastricht.

It would be wrong to claim that the Danes finally voted in favor of the Maastricht Treaty. They did nothing of the kind: They voted “yes” out of fear of being politically and economically destroyed. The Danes still profoundly dislike the idea of a monetarist European Union. In a survey by Danish Radio published two days before the referendum, 75% of the Danes clearly stated that they preferred a Europe of sovereign nation-states to a federal European Union of the type described in the Maastricht Treaty. The survey also made it clear that a primary reason Danes were voting “yes,” was the fear of the consequences for the country if they voted otherwise.

Intimidation of a whole nation is not a good start for a European Union.

Organized crime’s gambling: the case

by François Lepine

The U.S. Department of the Interior on April 27 placed a moratorium on government lending to Indian gambling casinos. A spokesman for the Bureau of Indian Affairs was quoted by Associated Press saying that in view of the opposition that was developing to the casinos, they felt it was necessary to stop the loans temporarily, pending further discussion. One of the congressmen involved in blocking the loans, Rep. David Obey (D-Wisc.), a senior Democrat on the House Appropriations Committee, objected after the BIA put money in President Clinton’s stimulus plan to finance Indian gambling in his home district.

Today, gambling in America is a \$550 billion business, of which Indian gambling is a small, but growing, fraction. But without the legalization of gambling on the Indian reservations, there would never have been the explosion of riverboat casinos, race tracks, state lotteries, and video poker games that has hit the United States in the past decade. The huge volume of cash transactions in gambling provides a ready vehicle for laundering drug money and other ill-gotten gains—a fact which organized crime has not exactly ignored (see *EIR*, Jan. 15, 1993, “Dope, Inc. Targets Indian Lands for Casino Gambling”).

The BIA has made or guaranteed \$61.1 million in loans to 28 gaming operations nationwide, of which only a small portion has been repaid. In Minnesota, for example, of \$40 million in loans made to eight tribes, only \$2 million has been repaid.

It is past time that the BIA’s aid to gambling casinos be stopped: It is certainly a crime against natural law, when a government agency encourages the destruction of its citizens’ morality in this way.

Since 1981, when a Florida court ruled that the Seminole Indians had the right to have high-stakes bingo, under the pretext that Indians can themselves regulate what is legal on their sovereign reservations, the Bureau of Indian Affairs, and especially Assistant Secretary for Indian Affairs Ross Swimmer, intervened at every point to promote Indian gambling:

- They interpreted a Reagan administration policy paper calling for encouraging private enterprise while cutting the budget deficit, as a “yes” to gambling casinos.

link to Indian of Rhode Island

- In 1983, they helped create the National Indian Gaming Task Force, which would later become the National Indian Gaming Association. The NIGA smears anybody opposed to gambling as an anti-Indian "racist." NIGA leaders packed the congressional hearings of 1986 and 1987 which led to the Indian Gaming Regulatory Act.

- Not only did the BIA lend or guarantee money to management companies, but it also allocated money for hiring lawyers for Indian tribes to sue the state governments that opposed gambling.

- Finally, the BIA, which was responsible for Indian gambling during the slow formation around 1990-91 of the National Indian Gaming Commission, seemed blind to any sign that organized crime was moving in. To this day, no audit has ever been supervised by the government of any gambling operation.

Because of the complex legal situation which exists on the Indian reservations, it is practically impossible for anybody but the BIA to have a nationwide assessment of what is going on. There are good reasons to believe that the role of organized crime in Indian gambling is massive, which makes one wonder not only whether the government money has been lost, but also whether it was used to finance organized crime.

We analyze here the case of two Indian gambling management companies operating on a Rhode Island reservation. These case studies give a hint of the larger dimension of organized crime involvement nationally.

NAB and BAB

In Rhode Island, a nine-year fight is coming to a conclusion in the court case of the Narragansett tribe and British American Bingo (BAB) against the city of Charlestown and the State of Rhode Island, on whether the Narragansett tribe lost its sovereign rights, including to operate a casino, when they renounced their rights as a sovereign tribe in 1978 in exchange for an advantageous land settlement. The fight started on Nov. 8, 1985, when a scandal erupted in the state around a land deal involving the Narragansett tribe. The deal came under attack for three reasons:

- 1) The price of the land had been artificially jacked up

from its assessed value of \$77,000 one week earlier, to \$220,000, through three sales, with the Indians picking up the tab. One person bought the land for \$98,000 and sold it 90 minutes later to one Gary Palmer, who sold it a week later to the Indians; Palmer's Paland, Inc. and Ribo Associates lent the money, at 12% interest.

- 2) The law firm of Manning, West, Santaniello and Pari, which oversaw the deal, had been involved in corruption scandals in the state. Attorney Edouard Manning had been the Democratic Speaker of the House throughout the 1970s, until he was indicted on eight counts of extortion. The day before the deal, he was indicted again for coverup in a case of looting involving the Rhode Island Housing and Mortgage Finance Corp.

- 3) Palmer was rumored to be running several bingo operations around the United States.

Palmer's North American Bingo company (NAB) ran into trouble because of opposition from the town (which has authority over the Indian reservation, according to the 1978 land settlement) and with the majority of the Indians themselves, who opposed gambling. But Palmer, a liar and unscrupulous profiteer, got support from an unexpected quarter—the Bureau of Indian Affairs.

In fact, he got so much support from the BIA, that the Charlestown city council demanded in a letter to the Rhode Island congressional delegation, that it initiate a congressional investigation of the Eastern Bureau of the BIA. The city council contended that Palmer's assistant Edith Travers was present at a meeting to discuss land use, including bingo, at the request of the BIA, and, when asked who she was, lied about her identity. The Rhode Island congressional delegation forwarded the letter to the Department of the Interior and its inspector general, who replied that no violation of ethics had occurred. The department did not answer the charge of conspiracy between the BIA and North American Bingo.

Opposition came from the tribe itself, which in January 1986 elected an anti-gambling faction to its leadership. The BIA refused to certify the election. The anti-gambling faction won again in March, but the BIA recognition didn't come until June. By then, the deal with North American Bingo was dead. A few years later, the pro-gambling faction won, and a new company came on the scene: British American Bingo, a subsidiary of Bass Ale, the leading brewer of England, which runs 56 bingo casinos there, as well as a chain of Breweries Hotels and Restaurants, and now owns the U.S. Holiday Inn chain.

A single operation?

In Rhode Island, a source opposed to gambling confided that he had received death threats, and that to this day he believes that behind British American Bingo is the unscrupulous Gary Palmer and his North American Bingo.

Consider the following facts: The same Edith Travers who created the necessity of an investigation of the ethical



Atlantic City, New Jersey. Mobster Meyer Lansky claimed that he set up his Resorts International casino gambling operation to "help the elderly." So today, the organized crime "friends of the Indians" are moving their dirty money operations onto the reservations.

behavior of the BIA, and who initiated contacts in September 1984 between NAB and the Narragansetts, formerly worked for the Pan American Co. (PAMCO) on the Minnesota Sioux Shakoppee Mdwakanton Reservation, with its second bingo management company. The reservation's first management company was New England Entertainment. PAMCO—which some law enforcement authorities have said is actually the same thing as New England Entertainment, is the company that started U.S. bingo operations in Florida with the Seminole Indians.

These management companies crop up in other bingo casino operations around the country. In Lemoore, California, on the Santa Rosa Rancheria Reservation, New England Entertainment was followed briefly by Palmer's Paland, Inc., and then by British American Bingo. Indians there complained that New England Entertainment and Paland were looting them.

In Arizona, the Pascua Yaqui had many management companies, including PAMCO and British American Bingo. Again, there were complaints that the companies were exploiting the Indians.

So when in Rhode Island, BAB succeeds NAB, one wonders if it is not the same operation that started bingo casinos throughout America with the Florida Seminoles. An investigation along those lines could show that most Indian gambling is connected to organized crime, and that rather than

simply freezing loans to gambling operations, there should be an investigation into whether U.S. government money ended up in the coffers of the mob.

Crime and bingo in California

The broader, national dimension of organized crime activity came out in testimony to a U.S. Senate committee on Indian gaming in 1986 and 1987, when Sheriff John F. Duffy, Sr. of San Diego County, California, the representative of the National Sheriffs Association, explained how several bingo operations operate in his state. He maintained that most bingo parlors were connected to one another, and that most of the management companies that run the bingo games and casinos are connected to organized crime circles.

Since Duffy's testimony, court records have confirmed the infiltration by organized crime of five California reservations: the Barona Reservation and the Sycuan Reservation (operated by PAMCO) by the Genovese, Buffalino, Luchese, and Cavalcate crime families; the Jackson Rancheria Reservation by the Gambino and Luchese families; the Ricon Reservation by Chicago organized crime boss John di Fronzo; and the Cabazon Reservation by organized crime figures Irving "Slick" Shapiro and Rocco Zangari.

Duffy also explained that FBI background checks are not made to stop organized crime from infiltrating Indian gambling.

In San Diego County, a company called American Management and Amusement Co. (AMAC) operated at the Barona Reservation. In his written testimony in June 1986, Duffy characterized their operations: "Prior to their closing, the management company at the Barona reservation said they were grossing \$1 million per month in cash. They were in operation since 1982 and the estimated gross income was in excess of \$35 million; however, there was no visible improvement to the Indian status. In fact, some of the homes on the Barona Reservation still do not have running water. The management company claimed that all the money went to pay for prizes and payroll expenses. The dividends declared by the company were minuscule in comparison to the amount of cash taken in. The management company blamed their closure on the fact that the Indians would not allow them to bring in outside stockholders to bolster the bingo operation. The Barona Indians found that these stockholders were members of the management company [PAMCO, for which Edith Travers worked] which currently operates Sycuan Indian bingo in competition with Barona."

Despite the evidence provided by Duffy, the Senate kept to the line that you can have gambling without organized crime, and went ahead with the Indian Gaming Regulatory Act to "help" Indians. It was not the first time that the pro-gambling factions appealed to philanthropy to legalize gambling; in the 1970s, Meyer Lansky's Resorts International had New Jersey legalize gambling on the pretext that it would "help the elderly."