

EIR Feature

Dope, Inc. targets Indian lands for casino gambling

by Philip Valenti

An ongoing *EIR* investigation has uncovered a global operation by the drug and dirty-money cartel, "Dope, Inc.," and related intelligence agencies, to exploit the "sovereignty" of Indian tribal lands, and use them as a base for money-laundering, drug and weapons trafficking, and other covert operations, free of control by any government.

This came to light after a group of residents of the Standing Rock Sioux Reservation in North and South Dakota filed suit in Tribal Court to block construction of gambling casinos on the reservation. What looked, on the surface, like a scheme by a local attorney to win a casino contract from the tribe, was soon exposed as an elaborate maneuver by a Swiss-based conglomerate managed by a casino boss from South Africa, all with Zionist criminal connections (as we shall show elsewhere in this *Feature*).

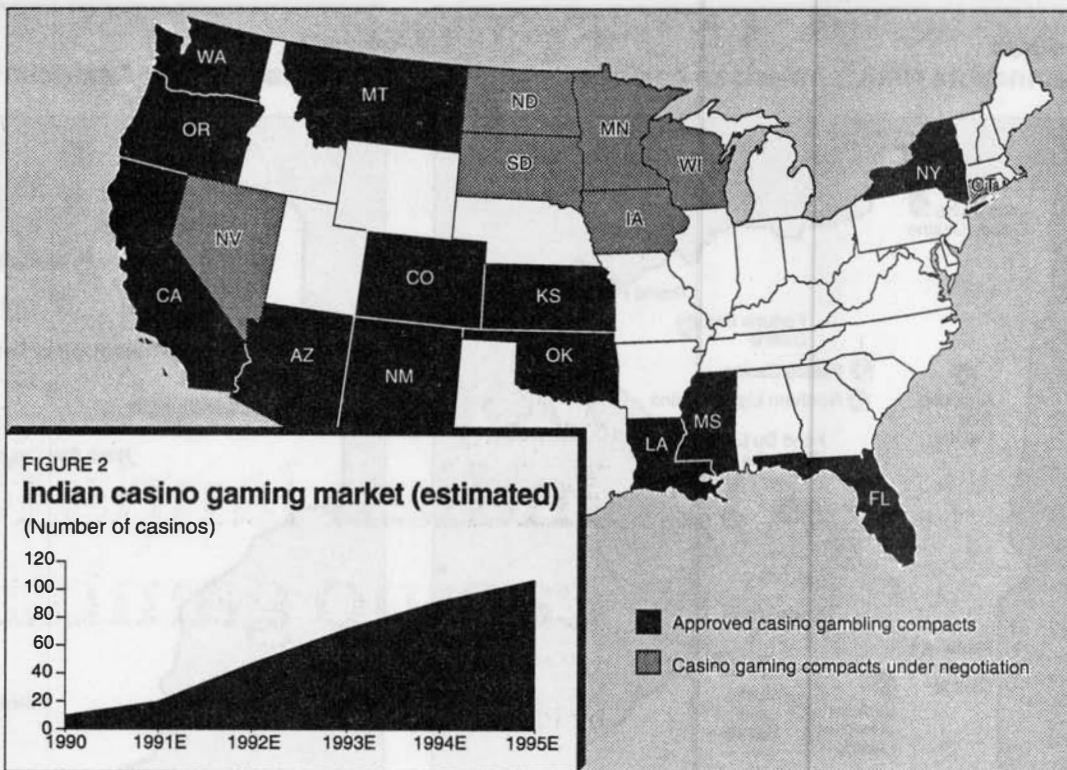
EIR's best-selling book *Dope, Inc.*, first published in 1978 and now in its third edition, proved that gambling casinos, with huge daily cash turnover, provide the ideal means for large-scale laundering of profits from drug trafficking, pornography, prostitution, and other rackets. Court testimony in the Iran-Contra scandal also showed the close connection between drugs and covert operations like weapons trafficking, all of which requires money-laundering capabilities.

Further investigation has shown that the organized crime takeover of Indian reservations in the United States is already well advanced, and that this takeover is part of a larger scheme to force legalized casino gambling through state legislatures everywhere.

Playing for high stakes

Two years after a high-stakes bingo hall was set up by the Seminole Indians in Florida in 1978, the first casino offering draw poker and other card games on a reservation was started by the Cabazon Band of Mission Indians in Riverside County, California. Later investigations showed that the casino was funded and controlled by organized crime figures, and that the outside manager hired by the tribe, John Philip Nichols, was connected to the Central Intelligence Agency.

FIGURE 1
American Indian gaming activity



Source: Raymond James & Associates, Inc., Member N.Y. Stock Exchange, Aug. 12, 1992.

Nichols and his associates were exploiting the fact that, under current law, recognized Indian tribes are “sovereign,” and therefore free from control by both state and federal government. Under Article I, Section 8 of the U.S. Constitution, the Congress is only granted power “to regulate commerce . . . with the Indian tribes.”

Encouraging Nichols and his ilk was the Reagan administration policy of ruthless budget cuts for social services for Indians and others, while fostering junk bond-style profiteering by the private sector. Assistant Secretary for Indian Affairs Ross O. Swimmer quoted from Reagan’s policy in a 1987 hearing:

“It is important to the concept of self-government that tribes reduce their dependence on federal funds by providing a greater percentage of the cost of their self-government. . . . It is the policy of this administration to encourage private involvement, both Indian and non-Indian, in tribal economic development.”

When the State of California sued to shut down the Cabazon casino, the U.S. federal court ruled that “neither the state nor the county had any authority to enforce its gambling laws within the reservations.”

California v. Cabazon Band of Mission Indians led to a landmark decision when the case reached the U.S. Supreme Court in 1987. The Rehnquist court upheld the lower court decision, stating:

“To the extent that the state seeks to prevent all bingo games on tribal lands while permitting regulated off-reservation games, the asserted state interest in preventing the infil-

tration of the tribal games by organized crime is irrelevant, and the state and county laws are pre-empted” (480 U.S. 202, 107 S.Ct. 1083, 94 L.Ed2d 244 [1987], emphasis added).

Based on this decision, Congress enacted the Indian Gaming Regulatory Act (IGRA) in 1988, which required states to negotiate a “gaming compact” with Indian tribes desiring to open casinos.

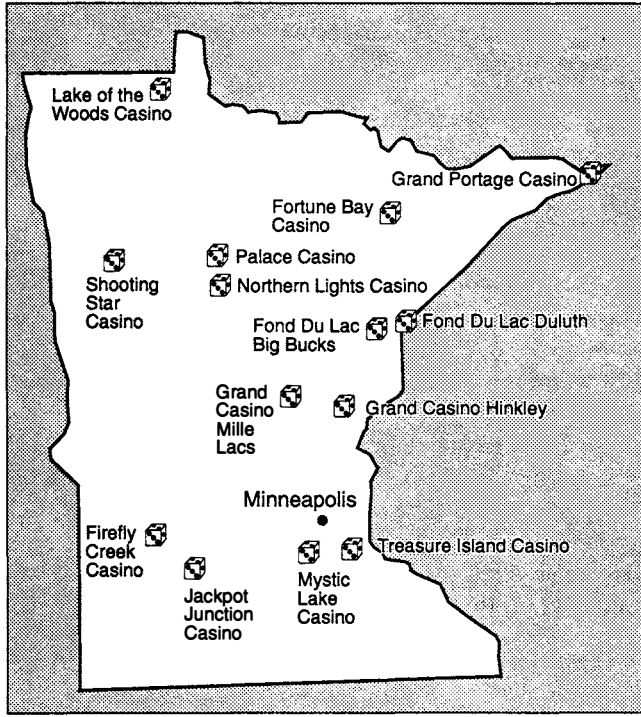
Key congressional backers of “Indian gaming” have been Sen. Daniel Inouye (D-Hi.), chairman of the Senate Select Committee on Indian Affairs, and Rep. Sidney Yates (D-Ill.), chairman of the Subcommittee on the Interior of the House Appropriations Committee. Both are lavishly supported by the organized crime-linked Anti-Defamation League of B’nai B’rith (ADL) and the American-Israel Public Affairs Committee (AIPAC).

As of July 1992, there were over 100 “gaming compacts” under negotiation or completed in 21 states (Figure 1). Over 40 full-scale casinos are now in operation on Indian reservations nationwide, with 16 in Minnesota alone, making that state the third-largest casino market in the United States, after Nevada and New Jersey (Figure 3).

Today, the largest casino outside of Las Vegas and Atlantic City is the 135,000 square-foot Mystic Lake Casino near Minneapolis, located on the Shakopee Mdewakanton Sioux Reservation, with 100 blackjack tables, 1,000 video slot machines, and a bingo palace.

In addition, some tribes are acquiring land off the reservations, which is placed in “trust” with the federal government.

FIGURE 3
Minnesota Native American casinos



Source: Raymond James & Associates, Inc., Member N.Y. Stock Exchange, Aug. 12, 1992.

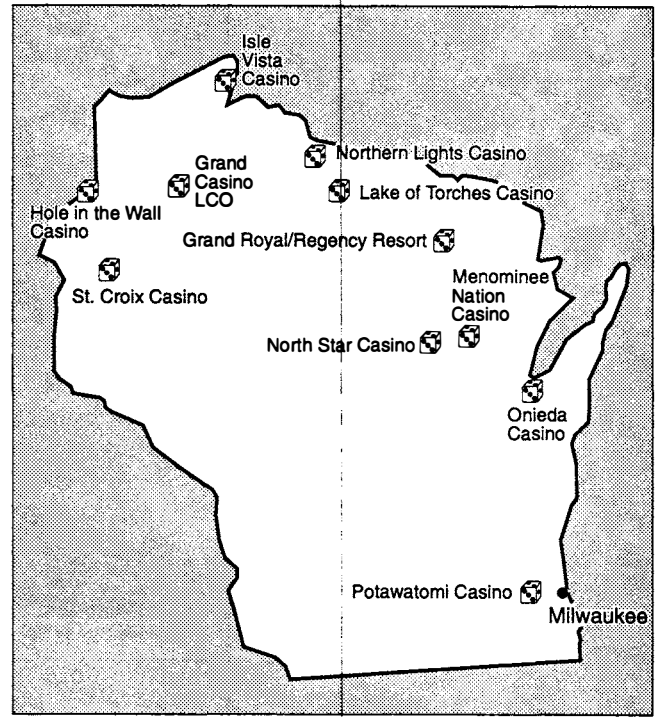
This land then also comes under tribal "sovereignty," i.e., a casino can be built there irrespective of state law. One Wall Street study, by Raymond James & Associates, concluded: "This may result in the operation of full-scale Class III casino operations in major metropolitan areas by Indian groups over time. We will watch this emerging area of the evolution of Indian Gaming in North America with particular interest." Class III gambling includes slot machines, casino games, banking card games, horse and dog racing, pari-mutuel wagering, and jai alai.

The same study reported a vote by the Connecticut Senate in April 1992, "which would allow the placement of 5,500 video slot machines in the six pari-mutuel facilities in the state. The entire basis for this movement was the early 1992 opening of the Mashantucket Pequot Foxwood [Indian] casino in Ledyard. . . . During the entire process, the debate centered around the necessity of the state to *compete with the tribe* for consumer gaming revenue. We expect this issue to come up again in the state next year" (emphasis in original).

Or, as the rabidly pro-gambling North Dakota *Grand Forks Herald* put it in an editorial in October 1992, after "gaming compacts" were signed by the governor and tribal officials:

"If there is concern about competition [with charitable gambling], the legislature will have to liberalize the existing

FIGURE 4
Wisconsin Native American casinos



Source: Raymond James & Associates, Inc., Member N.Y. Stock Exchange, Aug. 12, 1992.

law to match what Indian tribes offer. . . . The alternative—permitting private casinos—has been rejected repeatedly, but it may be the only practical way for off-reservation interests to compete with Indian gaming.

"At the very least, the compacts signed this week will force North Dakotans to reassess their attitudes toward gambling."

The Kansas state legislature reacted to this sort of pressure by passing a bill prohibiting *all* casino gambling, including by charities, while growing turmoil over gambling profits led to the 1990 armed confrontation on the Akwesasne Mohawk Reservation in New York State, which left two Indians dead. Some \$800,000 in drugs and cash were seized at the reservation after the shootings.

Dope, Inc., however, remains optimistic. The same Wall Street study argues:

"The continued success of video gaming in Montana, similar results in South Dakota, and the emergence of strong support in Canada and Australia have provided a catalyst for the continued introduction of video lottery systems across the world. Cash-strapped states and professional politicians looking for reelection have a compelling incentive to examine revenue production capabilities which do not involve direct taxation. . . .

"We are forecasting the introduction of 315,000 new video gaming units worldwide by the end of 1995."