

Chukchansi Gold casino shut down temporarily by state, feds (video)

By Marc Benjamin

Vernon King, a leader of one of the two battling factions of the Picayune Rancheria of Chukchansi Indians, tries to remove documents on a luggage cart but encounters Reggie Lewis, a leader of the other faction, at Chukchansi Gold Resort & Casino on Friday, Oct. 10. Madera County Sheriff John Anderson stepped in and disallowed the removal. The infighting has led the federal and state government to shut down the hotel-casino.

ERIC PAUL ZAMORA — THE FRESNO BEE

Years of squabbling and several pitched battles between factions of the Picayune Rancheria of Chukchansi Indians finally forced intervention by the state and federal governments Friday when they shut down the tribe's casino and hotel.

The National Indian Gaming Commission and state attorney general each ordered the tribe to close Chukchansi Gold Resort & Casino in Coarsegold. No date was set for a possible reopening.

After years of taking an arm's-length approach to dealing with the tribe, the state and federal bodies' hands were apparently forced after an armed infiltration of the casino Thursday night by the faction led by Tex McDonald. The faction had been relegated to a nearby tribal business center since the end of August, when a group led by Reggie Lewis forcibly took over the casino.

A six-page [closure order](#) from Jonodev Chaudhuri, NIGC's acting chairman, said "imminent jeopardy exists because of the real and immediate threat to human health and well-being, which if uncorrected, could result in serious harm or death."

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In its investigation of Thursday night's incident, which forced many gamers to leave their chips behind when the casino was evacuated, the NIGC reported that each side accused the other of being armed. As Friday wore on, each faction had control of a different part of the casino and was unwilling to leave.

The federal order could be rescinded, but only when it's proven the tribe can run the operation without problems — or the threat of violence.

Also late Friday afternoon, a federal judge in Fresno granted a request by the state to shut down the casino and resort.

The state sought the [emergency order](#) from U.S. District Judge Lawrence J. O'Neill, saying the Chukchansi tribe had violated terms of its state compact, part of which requires that gambling operations not endanger the "public health, safety, or welfare" of patrons.

O'Neill's order is temporary and will be in effect until a preliminary injunction hearing at 1:30 p.m. Wednesday.

The order, which covers all the various tribal factions and any people acting under their direction, prohibits them from:

- Attempting to repossess, or take control of, the casino;
- deploying tribal police or other armed personnel within 1,000 yards of the casino, the property on which the casino is located, and tribal properties surrounding the casino, including the nearby hotel and tribal offices;

- possessing, carrying, displaying, or otherwise having firearms on the tribal properties.
- operating the casino, until O'Neill establishes that casino patrons, employees and tribal members can be "adequately protected from the violent confrontations and threats of violent confrontation among the tribal factions disputing leadership of the Tribe and control of the casino."

In addition to closure, the NIGC said it could issue a fifth federal violation order against the tribe and casino operators. Because of previous violation orders for missing audits and other documents, the tribe was told it could be penalized \$100,000 a day retroactively to the end of April. The new violation could add \$25,000 a day to penalties. The total cost of the penalties, so far, would exceed \$16 million if the government charges the maximum.

Thursday's conflict in the casino arises from news earlier this week that the NIGC would shutter the casino if required audits and other financial documents were not provided to the agency by Oct. 27. One of the Chukchansi audits is 18 months overdue, the other is almost six months behind.

Armed conflict

The hotel and casino closed Thursday night after tribal members and tribal police representing the McDonald faction entered with weapons and holed up in the tribal gaming commission office in the casino. As they entered, they squared off with security guards representing the Lewis/Nancy Ayala faction.

Madera County Sheriff John Anderson said he has been concerned for weeks about escalating tensions at the rancheria and wrote a declaration to the state and federal government last month seeking help. He said he spoke to Gov. Jerry Brown's office and NIGC officials again Friday about the incident the night before.

"Last night was damn scary," Anderson said Friday. "We had 500 people coming out of the casino after the fire alarm was pulled."

Patrons were told to take their chips with them when they exited the casino Thursday night, casino spokesman Roger Salazar said. Salazar represents casino manager Giffen Tan, who has been working with the Lewis faction.

But some patrons said they left money on the tables. Salazar said casino officials are willing to talk to anyone who left chips behind and can use video to determine what was left when people exited. He also said that anyone with chips or tickets can have them redeemed when the casino reopens; no date has been set for that.

After the casino was cleared, Anderson and three lieutenants negotiated with about 20 armed members of each faction. He said no arrests have been made and none of the handful of reported injuries required hospital transport.

"When they move the war into the casino, it meant we had to stop this," Anderson said. "We have not been getting closer to a solution; if anything, we have gotten farther away."

The business complex and casino/hotel were cleared out Friday and are now guarded by sheriff's deputies.

Both factions have accused the sheriff of taking the other group's side — which the sheriff strongly denies.

Before the state and federal orders Friday, members of the McDonald group remained inside the casino gaming office or meeting rooms, but members of the Lewis/Ayala faction had control of the hotel, Salazar said.

The casino Friday afternoon was empty, but even more eerily quiet, devoid of bings and bongs from slot machines and noise from patrons. Inside a room down a long hallway in the casino — its door protected by a cadre of young security guards — Vernon King, treasurer for the tribal council led by Tex McDonald, said that his group felt they had to do something to recover audit information because all branches of government had taken a "hands-off approach."

King said his group was attempting to avert a casino shutdown by entering it Thursday. The casino, he said, employs

1,000 to 1,500 people and on average provides around \$450 a month from revenues to each of about 900 tribal members. Tribal elders receive a little more money to help with things like food and housing, he said.

King said his group didn't intend to impair casino operations when it entered the facility on Thursday, and that members of the other tribal group pulled the fire alarm, which resulted in the casino evacuation.

The McDonald group said it is working with a New York judge to find out if casino manager Tan is required to answer to them, said David Leibowitz, the McDonald faction's spokesman.

The same judge issued an order last year saying that leadership factions had to both sign off on payments to vendors including auditors.

"From our perspective, he works for us," Leibowitz said of Tan.

Leibowitz said the McDonald group wanted to find documents that relate to the audits to meet the requirements of the NIGC.

"We tried to cooperate with the Lewis-Ayala group," he said. "We are all for turning over the audits."

Government intervention needed

Rob Rosette, lawyer for the Lewis-Ayala group, said his group invited McDonald to negotiate for several months, but he refused to come to the table — even though they offered him recognition as a tribal leader and the right to run in an election next year.

Rosette said he understands why the state and federal government had had enough after Thursday night.

"I am sure they did not make their decisions lightly, but now it's about resolving the concerns they have and let these people get to work so the tribal members can receive their tribal benefits," he said.

Lewis said the McDonald group fired everyone in the gaming office Thursday night. He said his group's primary concern is that the McDonald group "didn't have replacements to step in and then the NIGC would have to step in."

He said his group has sent video footage to the federal government that shows the McDonald group entering the casino and both sides fighting.

Fresno State professor Kenneth Hansen, author of "The New Politics of Indian Gaming," said it's about time the state and federal government intervened.

"The thing to do might be to let the NIGC sort it out; they need a referee in there," he said.

Madera County Supervisor Tom Wheeler said the economic impact of the hotel and casino closure will be devastating for eastern Madera County. The longer it goes, the worse it will get.

"We're going to lose 1,100 employees," he said. "When 300 people in North Fork lost their jobs, we lost everything there."

But as he worried about economic impacts, Wheeler said he was even more concerned about the escalating tensions and increasing potential for violence.

"I called the attorney general and I called (the NIGC in) Washington, D.C., and I told them to forget the 27th," Wheeler said, referring to the proposed closure date. "Shut it down right now."

Carmen George and John Ellis contributed to this story.

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