

Chukchansi tribe gets federal OK to reopen Coarsegold casino

By Marc Benjamin
mbenjamin@fresnobee.com

The Picayune Rancheria of Chukchansi Indians cleared a critical hurdle Monday toward reopening its casino in Coarsegold, and the tribe could have the slot machines ringing again by early January.

The National Indian Gaming Commission agreed Monday to allow Chukchansi Gold Resort & Casino to reopen and the state Attorney General's Office, which has the final say, isn't opposing the federal order.

Chukchansi Gold Resort & Casino remains closed on Monday, Dec. 21, 2015, in Coarsegold. SILVIA FLORES sflores@fresnobee.com

"I think it's just a wonderful day for all Chukchansi and their families," said Claudia Gonzales, the tribal chairwoman. "It's good for the employees, especially during the holiday season."

The tribe can now open the casino as soon as possible, which will likely be in early January.

"We will know more in the next couple of days," Gonzales said. "We look forward to welcoming back the community."

There still are a number of logistical issues to be worked out in the casino, but much of the work is done and most of the employees are hired, officials said.

The tribal council wants to open the resort as quickly as possible to start paying off the tribe's debts.

The tribe's bondholders took on \$250 million in debt three years ago after the tribe had fallen behind on its hotel payments. The tribe must make two \$12 million payments each year and has been unable to pay since last September.

Bondholders also arranged for the tribe to get an additional \$35 million earlier this year to pay start-up costs to reopen the resort.

Under terms of the agreement with the federal government, the tribe was fined \$19.8 million for failing to submit audits on time. But in a statement issued Monday afternoon, the gaming commission said a bulk of those fines will be suspended as long as the tribe follows conditions of the commission's order.

The tribe must pay \$500,000 in three installments to the federal government: \$250,000 in the next 30 days; \$125,000 in 180 days; and the final \$125,000 in 360 days. The remaining \$19.3 million of the fine will be suspended in three years after safe operation of the facility and financial compliance by the tribe.

\$19.8 million

Fines against the Chukchansi tribe; it must pay \$500,000 but the rest will be suspended in three years if there are no more problems with the casino



The closure orders that shuttered the casino nearly 15 months ago will be reinstated, the commission statement said, if “anything occurs to threaten the health and safety of the facility or its patrons and employees.”

When it’s running, Chukchansi Gold Resort & Casino employs about 1,000, about 80 percent from Madera County, said Tom Wheeler, the Madera County supervisor representing the Coarsegold area.

“It’s kind of a Christmas present for Madera County, the community and tribal members,” he said. “Now, many of the tribal members will have jobs, money for education, housing and for their elders. It’s a win-win.”

The state and federal government shut down the casino in October 2014 after a dispute between tribal factions erupted during a gaming office raid. The last of 15 felony cases resulting from that raid was settled earlier this month.

Opposition lingers

Despite Monday’s gaming commission decision, tribal infighting that had hampered previous efforts to reopen the casino persists.

A group of Chukchansi tribal members known as the “distributees” opposed the gaming commission’s decision to allow the casino to reopen. They claim to be the original founders of the tribe and contend the tribe has 46 voting members, not the 900 members the recently elected tribal council recognizes.

In a letter issued Friday opposing the reopening of the casino and opposing the leadership of the council elected in October, Wisconsin lawyer Gary Montana said the election was illegal.

In November, the recently elected council reached agreement with Madera County on a series of public safety and financial arrangements to allow the casino to open. The distributees’ council chairman, Luke Davis, opposed that agreement and said the election was illegal.

But members of the tribal council said they followed all the guidelines set by federal and state officials in arranging the October election.

“We’ve done everything the state, federal and local agencies asked us to do,” Gonzales said.

The distributees are expected to file their opposition in U.S. District Court and seek a hearing in front of Judge Lawrence O’Neill.

In early 2014, the federal Bureau of Indian Affairs named the members of the 2010 tribal council as the group the federal government would recognize for grants to help tribal members. Opposing factions were angered by that decision and appealed to the Department of Interior’s Board of Indian Appeals, which earlier this year recognized the same council.

The federal government ordered the tribe to hold an election and allow all adult members to run for office. There were initially 32 candidates in the October election, which was whittled to about two dozen on election day.

The federal government said it was the tribal council’s responsibility to determine who voted.

Under the rules of the election, those in the tribe as of 2010 were recognized as voters. The issue was controversial among those in the council and passed on a 4-3 vote. The opponents to the 2010 voter rolls said many in the tribe were disenrolled between 2010 and 2012. They preferred the 2012 voter rolls instead.

“It was a horrendous decision by the Interior Board of Indian Appeals to recognize the 2010 council,” Montana said.

He said the decision should have been appealed to a federal court.

The newly elected council members are viewed as opponents of the distributees.

Members of the distributees' two families, the Ramirezes and the Wyatts, have twice gone to court to assert their leadership of the tribe and their contention that it only has 46 members. But a federal judge in San Jose dismissed the cases.

In 2013, Montana assisted a group of distributees in taking over a tribal council meeting by announcing a referendum that the tribe had 46 members and 14 of them, 30 percent of the entire tribe, signed a petition that allowed the distributees to run the council and installed seven members from the two distributee families as council members.

A few days later, the council was re-established without all the distributees, but members who opposed the referendum at the previous meeting were suspended from the council.

1,000

Number of employees at Chukchansi Gold Resort & Casino

Judge O'Neill issued an order Monday afternoon saying he was inclined to approve the state and federal orders. He sees the need for an "expedited decision in light of continuing daily financial losses coupled with the potential loss of financing should further delays occur."

In addition to opposing the election, Montana said he opposes a proposal to clear out the business complex across from the casino, which has been occupied by members of the faction previously overseen by Tex McDonald. He also is opposing the plan to keep weapons 1,000 yards from the hotel and casino.

Montana said the business complex is not part of the gaming facility and shouldn't be off limits to tribal members and that there are residents within 1,000 yards of the gaming facility who have guns, but have no intention of using them at the hotel and casino. He said he would appeal the judge's order if those two issues were not addressed.

Montana has until 5 p.m. Tuesday to file his opposition to the reopening order.

Wheeler, the Madera County supervisor, said tribal factions must get along.

"Let's hope the different factions realize that the infighting caused all this and that they stop and think before it happens again, and keep the casino open to the benefit of everyone," he said.

Marc Benjamin: [559-441-6166](tel:559-441-6166), [@beebenjamin](https://twitter.com/beebenjamin)