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Tribes Clash As Casinos Move Away From Home—Pursuing Gamblers When Few Are Nearby

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MADERA, Calif. — Hemmed in on a small, rocky settlement, with trailers for housing and tribal members so poor they often cannot afford burials for their family members, the North Fork band of Mono Indians went in search of new land that could offer an economic lifeline: a place to build a casino.

“We are virtually landless,” said Elaine Bethel-Fink, the North Fork chairwoman. “So we had to seek land elsewhere.”

But the Chukchansi Indians, with their own thriving casino just 30 miles away, have another name for the North Fork’s plan to open a rival casino on the dusty plot of land it acquired just north of this city, 36 miles from its Rancheria, or tribal settlement.

“It’s reservation shopping,” said Nancy Ayala, one of the Chukchansi tribal leaders.

After decades of nearly uniform tribal support for Indian gambling — fighting in court and at the ballot box against state governments and anti-gambling politicians who sought to close their poker rooms — casino-owning Indian tribes have emerged as some of the most powerful and dogged opponents of new Indian casinos.

One of the most pivotal and expensive battles is shaping up here. The Chukchansi and their Wall Street backers — Brigade Capital Management, an investment firm — and the Table Mountain tribe have spent more than \$2 million to place a question on the statewide ballot in November about whether the North Fork tribe should be allowed to build its casino. Their campaign is one of the first times that tribes have turned to the ballot to fight another tribe’s gambling plans.

Federal and state officials have already approved the North Fork project, which would bring a Las Vegas-style casino, and much-needed jobs, to this recession-ravaged area northwest of Fresno. But now the local issue will be put to voters statewide, illustrating just how far some tribes are prepared to go to keep newcomers off their turf.

“There was a time when tribes felt like we’re all in this together, everyone can get a piece of the pie,” said Philip N. Hogen, a member of the Oglala Sioux tribe and a former chairman of the National Indian Gaming Commission, which regulates Indian gambling. “That unity has diminished over time, maybe regrettably.”

The phenomenon has been particularly intense in California, where there are more Indian tribes (109), more casinos (more than 60) and higher profits (about \$7 billion a year) than in any of the other lower 48 states, according to state officials. Six more tribes have applied to open new casinos, while 78 groups have applied for federal tribe recognition, which is a prerequisite for a casino.

But other examples abound. With profits stalling in the \$28 billion-a-year Indian gambling industry, tribes from Oregon to Arizona are now using their casino wealth to stifle the competition: lobbying lawmakers, contributing generously to political campaigns and filing lawsuits to stop new casino projects in their tracks.

These intertribal fights usually come down to one thing, Mr. Hogen said: location. In many states, tribes with reservations in remote areas have started buying land closer to urban areas in hopes of opening off-reservation casinos closer to potential gamblers, often with financial backing from Las Vegas gambling companies.

“The tribes already in the neighborhood don’t look kindly on that kind of competition,” Mr. Hogen said.

The Bush administration largely refused to approve casinos that were more than “commuting distance” from a tribe’s reservation, including the North Fork casino. But all that has changed: Since 2011, the Obama administration has approved five off-reservation casinos, opening a new wave of tribal battles around the country.

One of them has been playing out in Arizona. In 2010, the federal government approved the Tohono O’odham Nation’s plans for a casino outside Phoenix, 80 miles from the edge of its reservation in southern Arizona. But two casino-owning tribes have held up the project with repeated lawsuits.

Another is happening in Wisconsin. The Menominee tribe won federal approval last year to build a casino in Kenosha, just 45 minutes outside Milwaukee but more than 150 miles from the tribe's reservation in the state's northern woods.

"We're in the woods, off the beaten path, so it's hard to generate revenue," Craig Corn, a Menominee tribal councilman, said.

Despite two casinos on the Menominee's reservation, many of the tribe's nearly 9,000 members remain mired in poverty. Menominee County, home of the tribe's reservation, is the poorest in Wisconsin, with the most unemployment and worst health indicators. A casino in Kenosha, Mr. Corn said, would offer "a lot of potential revenue to help tribal members."

But two other tribes are lobbying Gov. Scott Walker, a Republican, to veto the Kenosha casino.

"It's not their land," said Jeff Crawford, the attorney general for the Forest County Potawatomi, whose casino in Milwaukee, more than 150 miles from the tribe's own reservation, reportedly takes in \$400 million a year. "This mega-casino is located and designed to suck as much money as it can from Milwaukee, and that's our gaming market."

While many tribes once donated largely to Democrats, who were often viewed as more supportive of Indian gambling, money is now increasingly funneled to both parties, especially by tribes hoping to fend off new casinos in their states.

In Wisconsin, where the governor still needs to make the final decision about the Kenosha casino, the Potawatomi contributed at least \$50,000 to the Republican Governors Association each of the last three years, according to tax records tracked by the Wisconsin Democracy Campaign.

"It's our responsibility to protect our people," Mr. Crawford said. "One of the things we have to do is communicate our positions to whoever is in power."

The Menominee have powerful backing of their own. The Seminole tribe of Florida, which purchased the Hard Rock brand in 2007 and would operate the Menominee casino in Kenosha through Hard Rock International, donated \$45,000 last year to the Republican Governors Association, which has already begun running ads supporting Mr. Walker's re-election.

But the money and political stakes have particularly escalated in California. In addition to the more than \$2 million that opponents of the North Fork's casino have already spent, the Chukchansi and Table Mountain tribes have allied themselves with an anti-Indian gambling organization called Stand Up for California, adopting the group's message that the state could soon be overrun with off-reservation casinos if the North Fork project is not stopped.

"There are a lot of tribes that can claim a historical connection to downtown Los Angeles, or San Diego, or Anaheim right next to Disneyland," said Daniel Casas, a lawyer representing the Table Mountain tribe.

If the ballot question against the North Fork casino succeeds, it will not be the last, said Steven Light, co-director of the University of North Dakota's Institute for the Study of Tribal Gaming Law and Policy. "If it passes, it will be a definitive statement from the people of California that enough is enough," he said, "and they don't want the continued expansion of tribal gaming."