

Lobbyists & Puppeteers - Slick Method To Launder Money

A scam targeting a small Native American tribe may be traced to the Republican conservative elite in Washington.

The Cherokee Indians, a "civilized" tribe in the language of the day, many of whom converted to Christianity and wore dresses and trousers, were the victims of one of the most shameful crimes of 19th-century America. They were driven west from their traditional hunting-grounds in the southern Appalachians along what was called the "Trail of Tears."

Cherokees members are currently learning that Cherokee Nation Enterprise, (CNE), officials expended \$500,000 in funds to lobbyists from 1999 to 2003 including \$120,000 to a firm who employed the now notorious Washington D.C. lobbyist Jack Abramoff who has pled guilty to federal crimes and has admitted to defrauding Indian tribes out of millions of dollars.

This month, in the January 2006 Regular Council meeting, Councilors will vote if \$500,000 will be handed to another lobbyist, Brad Carson, and if an additional \$750,000 will be appropriated for a public relations campaign that Cherokee Principal Chief Chad Smith says is necessary to clean up the public image of the Cherokee tribe.

Tribal members are saying the money will likely be spent to clean up the poor image of Smith because of his failure to provide adequate services to tribal members within the districts, prior to the 2007 tribal election. Tribal citizens say financial oversight by Council has become so non-existent under the Smith bureaucracy that any such expenditure will likely be used for Smith's personal agenda and to prepare for his slates' campaigns. Citizens said they will circulate a referendum to block the expenditure if it passes.

Smith supported a political slate of Council candidates in the 2003 election of which seven won. Since the election, Meredith Swimmer Frailey has consistently shown her loyalty giving Smith a solid eight votes, a majority of Council, controlling most any issue that makes it through the legislative body. Members say a political slate financially supported by any Chief violates the separation of powers specified in the Cherokee Constitution and has proven to be poison in a government of services to the people.

Carson is presently employed by the tribe for \$100,000 annually under the new corporation set up by the Smith administration called Cherokee Nation Businesses, (CNB). Carson recently vied for an Oklahoma U.S Senate seat but failed to garner adequate support. CNE and the Cherokee Nation financially supported his campaign, some say to the tune of millions that could have gone into tribal services.

Cherokee allies, the Choctaw, have recently also found they are the victims of scandalous mistreatment. They have been ripped off, to the tune of tens of millions of dollars; not by any old snake-oil salesman, but by a pair of fast-talking palefaces who sit at the very top table of the Republican conservative ascendancy that rules Washington.

The unraveling scam is a reminder that the Bush administration represents not only the hopes of millions of plain folk for a return to a more godly America, but also the cynical manipulation of those yearnings by a cabal of insiders. Their motto is "gimme five!" (or, "where's my cut?"). It may go down in history along with Watergate or the 1924 Teapot Dome scandal as the symbol of a corrupt political environment of the kind that can discredit a party - or a presidency.

The K-Street Cartel

"Gimme five" was a joke between the two Washington lobbyists, Jack Abramoff and Michael Scanlon, about how they would distribute money paid by an Indian tribe to represent them. So much would go to one conservative cause, so much to another. And "gimme five!"

The part of the iceberg that has surfaced so far concerns the way Abramoff, lawyer-turned-lobbyist, and Mike Scanlon, former spokesman for the Republican majority leader in the House of Representatives, used the spectacular wealth of the casinos operated in the Mississippi Delta by the Choctaws as a sort of bank to buy influence in Washington. They spent it lavishly to bankroll what they considered good causes, all the way from fake Christian anti-gambling phone-banks to discredit the Choctaws' competitors, to a scheme for selling night scopes to Israeli snipers. Needless to say, they rewarded themselves richly for these public-spirited enterprises.

Jack Abramoff and Mike Scanlon, it must be understood, are not just anyone. Abramoff, in particular, has been for a quarter of a century an insider of insiders in the conservative project. His closest political friend since they organized conservative students in Massachusetts to vote for Ronald Reagan in 1980 is Grover Norquist, head of the lobbying group Americans for Tax Reform and the Bush White House's favorite guru on tax and economic policy.

A close associate since they ran the national conservative student organization College Republicans in the 1980 election is Ralph Reed, baby-faced founder of the immensely influential Christian Coalition of America. Reed, who is running for lieutenant-governor of Georgia, was handed \$4 million of the Choctaws' money at Abramoff's bidding.

Another beneficiary of Abramoff's generosity and the skim from those casinos in the Delta is a hero to the conservative legions, Tom "the Hammer" DeLay, Republican majority leader and widely regarded as the most powerful member of the House of Representatives.

DeLay is feared for the way he punishes all dissent. He has pursued a ruthless policy of redistricting the boundaries of congressional districts in Texas to gain several seats for the Republicans there. DeLay is now in serious trouble with the ethics committee in congress; one of his problems concerns a junket to visit London and play golf at St. Andrews which turns out to have been paid for by Abramoff's Choctaw clients. Needless to say DeLay and his public relations bodyguard vociferously deny wrongdoing and profess to be devastated that the congressman is unable to clear his name because his case is still under investigation.

Indeed, the story reaches as far as the Oval office itself, since Abramoff is accused of charging one of his Indian clients \$25,000 to set up a meeting with President Bush. The American media has long been ultra-cautious in criticizing the Bush administration and its "colorful" friends, and indeed even in reporting criticisms of them; but in the last few days it has started lifting the lid on some of the shenanigans of Abramoff and fellow-denizens of "K Street," as the opulent tribe of Washington lobbyists is collectively known.

As in earlier Washington scandals, farcical excesses and bemused walk-on characters from real life are surfacing. Abramoff's partner Scanlon, for example, set up a spoof think-tank "determined" (as its literature explained) "to influence global paradigms in an increasingly complex world". To this end, Scanlon is reported to have handed \$2,500, small change on K Street, to a certain Brian Mann, a yoga instructor, and Brian Grosh, a lifeguard and beach buddy of Scanlon.

The scope of Abramoff's web of influence and its cynical tone, however, cannot be dismissed as mere comedy. As the media get around to reporting them they reveal what aware observers in Washington have always understood: that the genuine patriotism, populism and piety of the moral majority who have now twice voted George W Bush into the White House have been manipulated by an amoral minority.

Money Games

Jack Abramoff grew up in Beverly Hills in a wealthy Orthodox Jewish family. Recently, on being proposed for membership of the prestigious Cosmos Club in Washington, he asked a friend to give him an award as a "scholar of Talmudic studies" to impress the club. No such thing, in Abramoff's world, as waiting for people to give you an award unasked. After starring as a wrestler and weight-lifter at high school in Beverly Hills, Jack went to Brandeis University in Boston. Later he went to law school at Georgetown University. His father was the head

of the Diner's Club franchising operation and a close friend of Alfred Bloomingdale, one of Ronald Reagan's "kitchen cabinet" of friends and financial backers.

Abramoff helped to organize support for Reagan in 1980, rose to prominence in the College Republicans, and hired Ralph Reed as an aide. After producing a Hollywood movie (an anti-Communist epic, naturally) Abramoff went to work as a Washington lawyer/lobbyist, first for Preston Gates Ellis & Rouvelas Meeds, later for Greenberg Traurig; both have since parted company with him. Abramoff is now being investigated by the press, as well as by two Senate committees.

Enter the curious phenomenon of Native Americans and gambling. In 1987 the Supreme Court, acting in a case involving no more than 25 members of an obscure Californian Indian tribe, the Cabazons, found that Indian nations were not bound by state laws restricting gambling. As a consequence, Indian gambling has grown from an industry with \$100 million dollars of revenue in 1988 to a turnover of \$16 billion today.

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Undisclosed Public Relations Campaigns & Election Fixing

This strange anomaly has flourished almost everywhere in the United States - notably California, New York and Mississippi, which is now third in gambling revenue behind Nevada (Las Vegas) and New Jersey (Atlantic City).

The Native American leaders soon learned that it helped to contribute lavishly to politicians' election funds: in 1998, after encountering difficulties with the Republican governor of California, Pete Wilson, they gave nearly \$2 million to the Democratic challenger, Gray Davis. Since then, a few Native American leaders, working closely with lobbyists in Washington, have been able to generate vast flows of money supposedly to benefit all tribal members. Increasingly, Native Americans are asking where all this money goes and why their leaders approved such payments.

Substantial sums seem to have gone to Abramoff and Scanlon. Indeed, testimony in hearings conducted by Senate John McCain before the Senate Indian affairs committee suggest, that Abramoff and Scanlon treated the Mississippi Band of Choctaws and their casinos virtually as a bank.

Congressional investigators learned in March that Scanlon or organizations he was associated with paid Abramoff \$10 million, an arrangement that was not known to the tribes or to Greenberg Traurig. In an interview earlier in the year, Abramoff denied having any financial stake in Scanlon's business. **Abramoff, who must publicly disclose lobbying fees, urged the tribes to hire one of Scanlon's public relations firms, often for much higher amounts than Abramoff's firm was receiving. Those public**

relations fees did not have to be disclosed under federal lobbying rules.

Federal law permitting Indian gambling requires that the proceeds be spent to benefit the tribe, but regulators in Washington do not normally become involved in monitoring the money that closely. "Nobody is tasked to see where all the dollars get spent," said Philip N. Hogen, chairman of the National Indian Gaming Commission. Hogen declined to comment on the investigations of Abramoff and Scanlon. But he said federal agencies have formed a working group to more closely coordinate criminal investigations that have arisen out of Indian gambling over the past six months. "This is really high on the priority list of tribal concerns," he said. "This is a cash cow in many circumstances, and tribes are concerned about protection of tribal assets."

One credible estimate is that Abramoff and Scanlon have been paid a total of \$66 million by their Indian clients; others say the total may have passed \$80 million. Not that all the clients were Native Americans: another of Abramoff's clients was President Mobutu of Zaire (now the Democratic Republic of Congo), and he also worked with the apartheid regime in South Africa and for Russian oligarchs.

Ernst Weyand, an official in the FBI's Indian Country investigative unit, said his office is working closely with organized-crime investigators. Officials in various agencies said the new working group makes it easier for federal investigators to take on larger and more complex investigations.

One person who has been interviewed by the FBI in connection with the investigation of Abramoff and Scanlon said the areas of interest ranged from foreign lobbying clients to billing practices involving the tribes and whether there were efforts to illegally fix tribal elections. He also said the FBI is looking at the relationship Abramoff and Scanlon and their firms had with some members of Congress.

Abramoff was not especially fond of his clients, the Coushatta of Louisiana as well as the Mississippi Choctaw. He has been known to call them "monkeys," "troglodytes," and "idiots." He wrote in an email to Scanlon, "I think the key thing to remember with all these clients is that they are annoying, but that the annoying losers are the only ones which have this kind of money and part with it so quickly, Gimme five!"

Portions of this article are from an Opendemocracy.net article written by Godfrey Hodgson and portions from a Washington Post article by Susan Schmidt.



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