

Cherokees buy former truck stop

By ROBERT EVATT
World Staff Writer
7/25/2006

Cherokee Casino Resort at Catoosa has upped its real estate ante with the purchase of a former truck stop just east of the casino.

The former Sunmart gas station and Mayberry's restaurant, as well as 6.7 acres of land on the northeast corner of U.S. 44 and 193rd East Avenue, was purchased from the W.O. Smith Trust for \$2.5 million, Rogers County land records indicate.

Weister Smith, owner of Arkansas Valley Petroleum, is listed as a member of the trust, Rogers County records show.

David Stewart, CEO of Cherokee Nation Enterprises, said the business branch of the Cherokee Nation purchased the property in anticipation of growing commercial activity around the casino.

"We felt it was an opportunity we couldn't turn down," he said.

The acquisition expands the company's holdings around the Catoosa casino to 267 acres.

Stewart said Cherokee Nation Enterprises will likely demolish the former truck stop, which closed this month and still bears the painted visage of fictional Mayberry resident Barney Fife from "The Andy Griffith Show," by the end of the year. A future use for the land has yet to be determined.

The area around the casino is expected to develop into a commercial hub thanks to the continuing success of the casino and plans to widen and reengineer the intersection of I-44 and 193rd East Avenue within the next five years, he said.

"We're always looking for ways to reinvest in the community in ways that compliment our operations," Stewart said.

He noted that the purchased land lies at the gateway to both the casino and the town.

Though the area may expand commercially, Stewart said that Cherokee Nation Enterprises has no plans to diversify its Catoosa operations beyond the casino and businesses that directly serve the casino, such as motor inns and convenience stores.

In addition to the casino, Cherokee Nation Enterprises owns the Cherokee Hills Golf Club, Cherokee Casino Inns, the Cherokee Smoke Shop and the Speedy's fuel station in Catoosa.

Stewart said the inn and Speedy's are both performing well. "When people come here, Speedy's is the place to stop," he said.

Plans to expand the casino itself with up to 200 more hotel rooms, a 1,000-car parking garage, 20,000 square feet of convention center space and additional restaurants are still being discussed, though the project has not gone before the company's board of directors for approval, Stewart said.

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Muskogee Phoenix Opinion

Chad Smith, principal chief of the Cherokee Nation, called the lawsuit filed against him and two others a politically motivated suit. But not only tribal members, but American taxpayers, too, should be concerned about the transaction that forced the lawsuit.

Seven councilors on the nation's council filed the federal lawsuit in late June, claiming that Smith, Jim Majewski, the CEO of Cherokee Nations Industries (now on administrative leave), and Benjamin Dixon, another CNI executive, violated the antifraud provisions of the Securities Exchange Act.

The U.S. Securities and Exchange Commission is investigating the claims based on the purchase of Global Energy Group Inc. by CNI last year.

CNI invested \$2.5 million in Global, which when the purchase was made was in dire economic straits, with \$12 million in losses and no assets. The lawsuit claims the CNI investment went to Global insiders and not the operation of the business.

The \$2.5 million was not Cherokee money, but was from a federally funded line of credit.

This was credit that was supposed to be used in employment assistance to prevent a layoff of CNI workers.

If the purchase of Global included stock price manipulation and fraud, those involved should be prosecuted. But even if the purchase was not handled fraudulently, it appears to have been a very poor investment that will possibly hurt CNI more than it will ever help it.

Unfortunately, when executives and CEOs mismanage corporations — as we've seen with Enron and WorldCom — it's the small investors and employees who get hurt the most.

The Global transaction appears to be a poor investment that is going to have severe consequences for CNI and the nation.

Originally published July 5, 2006

I doubt it, Bill...the CNO has a long history of obtaining failing businesses...this has been going on since Swimmer was in office...all the way through Wilma's administration...each administration since the '70s have lost money..none of them have been smart enough to invest into a winning company...so, Chad is only doing what the rest of them have done..millions and millions of Cherokee dollars going down the drain.

mjs

Ed. Note: In 2005 Ms Evans came to my house in Miami, Oklahoma and interviewed me for a masters thesis she was working on for the department of journalism at Baylor University. It was a case study of the independent Cherokee Observer and the tribally funded Cherokee Phoenix and Indian Advocate newspapers, and our fight against censorship. She also interviewed David Cornsilk, Robin Mayes, Franklin McLain and Dan Agent.

A Case Study of Two Cherokee Newspapers and Their Fight Against Censorship

by Desiree Y. Evans, B.A.
Committee Chairperson: Sara J. Stone, PH.D.

This study attempts to illuminate an injustice to the Cherokee Nation through denial of First Admendment rights in newspapers and communities. Through case studies and in-depth interviews it examines the avenues by which other Native American newspapers can gain independence and publish free from censorship. The study focuses on the Cherokee Phoenix and Indian Advocate and The Cherokee Observer. Studying the Cherokee Phoenix and Indian Advocate allowed for the examination of the Cherokee Tribe's official newspaper before and after the Independent Press Act of 2000, and how the landmark legislation has changed the newspaper and its relationship to the tribal government. The establishment of the Cherokee Observer shows why some members of the Cherokee Tribe felt that an alternative newspaper was necessary before and after the legislation was passed, and as they continue to feel the need to publish even five years after the Cherokee press was freed.

Chapter One Introduction

The current state of the Native American press in the United States could possibly be compared to that of the newspapers of seventeenth century England or even those of colonial America—despite the fact that the Native American press can trace its origins back two centuries. The days of licensing and prosecution of journalists and publishers may seem very far away to the journalists in the mainstream press today, however, to journalists who are publishing in Indian country, time may seem to be standing still.

Although the punishments for speaking out are much less severe now than in colonial days when journalists were jailed, losing a job is a definite possibility for those in the tribal press. More than one Native American editor of the Sho Ban News, Lori EdnoSuppah. According to the governing body of the ShoShone-Bannock tribe located in Fort Hall, Idaho, Suppah was fired for "gross insubordination." Suppah, however, claimed that she was fired because the paper tried to report both sides of a story about a recall campaign that intended to oust some of the council's members. Stories like Suppah's are not rare, and in fact, they occur rather frequently.

Too few Native American newspapers are independent and too few flourish and grow. This is due to the control that these papers must contend with on a daily basis. Most of the Native American press is under the strict rule of tribal rulers, council, or government. These newspapers are censored and considered public relations devices for the tribes.

The first Amendment, which gives all Americans the right to freedom of speech and a free press, does not stretch all the way to the sovereign nations of the Native American tribes and reservations, although it is not due to the lack of effort. In 1968, the U.S. government passed the Indian Civil Rights Act in the hope of ensuring individual American rights, regardless of the tribal governments, who are seen as sovereign nations. The Columbia Legal Services and Northwest Justice Project describes the ICRA and its purpose:

The Indian Civil Rights Act of 1968 (ICRA) prohibits Indian tribal governments from enacting or enforcing laws that violate certain individual rights. It is similar to the Bill of Rights in the United States Constitution, which guarantees personal freedoms against actions of the federal government, and the Fourteenth Amendment to the Constitution, which extends those protections to actions of state governments. Since these Constitutional limitations do not apply to tribal governments, Congress adopted the ICRA to ensure that tribal governments respect basic rights of Indians and non-Indians.

With the ICRA in place, it is difficult to imagine the Native American press having any difficulties when it comes to freedom of speech. One problem remains, however, and that is funding. Tribal newspapers are usually funded by the tribal governments, which often leads to newspaper editors engaging in self censorship for fear of being punished. Therefore, even with federal laws in place, the Native American press is still held on a tight leash, afraid to bite the hand that feeds it. The free flow of ideas and communication between the Native American press and the Native American people has made progress but there is still a lot of room for improvement.

Some developing trends are occurring within the realm of the tribal press. Some Native American newspapers are attempting to gain editorial freedom through legislation passed by their respective tribes, which would theoretically free them from censorship. In 2000, the Cherokee Nation of Oklahoma and the Navajo Nation of Arizona became the first tribes to pass free press legislation. The Cherokee Nation enacted the Independent Press Act of 2000 to ensure the rights of the press and to uphold the Federal Indian Civil Rights Act of 1968, which it had already adopted into its constitution. According to Section 4 of the Act, "The Cherokee Nation's press shall be independent from any undue influence and free of any particular political interest. It is the duty of the press to report without bias the activities of the government and the news of interest to have informed citizens."

Some newspapers may

choose to fight for editorial and financial independence from their tribe. The Navajo Times became independent in 2003 when the Navajo Tribal Council voted to make the newspaper a private corporation. Tom Arviso Jr., publisher of the Navajo Times, explained the reasoning behind the fight for independence:

From an editorial standpoint, this removes any possibilities of tribal censorship or attempts to remove us if the [tribal government] disagrees with us...from a business standpoint, the bureaucracy in dealing with tribal governments is just incredible. It's tough to run a business and be profitable with all the constraints and rules and regulations that government throws out in front of you.

The third trend is when the citizens of the Native American tribe take it upon themselves to develop other avenues for tribal members to get uncensored news. According to the Cherokee Observer website, the newspaper has dubbed itself, "the only independent Cherokee newspaper." The Cherokee Observer is a completely separate entity from the tribe. Therefore, tribal government has no control over the funding or content of the newspaper. According to assistant editor of the Cherokee Observer, Franklin McLain, Sr., the newspaper was started in 1992 because of the lack of uncensored and unbiased reporting that tribal members were receiving from the official tribal newspaper did not include some items that were important to tribal members, such as the teaching of the Cherokee language.

The Native American press and its cause are important issues that need to receive more attention. Increased publicity in the mainstream press and with independent Native American newspapers and organizations like the Native American Journalism Association championing this cause, the notion of a free tribal press has begun to command more attention.

This study examines the avenues by which the Native American newspapers can gain independence from censorship. The study focuses on the Cherokee Phoenix and Indian Advocate and the Cherokee Observer. Studying the Cherokee Phoenix and Indian Advocate allowed for the examination of the Cherokee tribe's official newspaper before and after the Independent Press Act of 2000, and how the landmark legislation has changed the newspaper and its relationship to the tribal government. The Cherokee Observer shows why some members of the Cherokee tribe felt that an alternative press was necessary before and after the legislation was passed, as they continue to feel the need to publish even five years after the Cherokee press was freed.

end of chapter one

The rest of the study by Ms Desiree Y. Evans will be coming in several months issues of the Cherokee Observer.

Cherokee councilors ask court for ruling on spending legal funds

By Donna Hales
Phoenix Staff Writer

Cherokee Nation Councilors Linda O'Leary and Bill John Baker asked the Cherokee Nation District Court late Friday to rule on Councilors' expenditure of legal funds.

At issue is \$12,450 in legal fees that O'Leary and Baker authorized in their positions as chair and co-chair of the Executive and Finance Committee.

At specific issue is the legal fee for a suit seven Councilors filed in federal court in Muskogee against Principal Chief Chad Smith, Jim Majewski (suspended CEO of Cherokee Nation Industries, Inc.) and Benjamin Dixon, a tribal business advisor hired by the administration.

That suit is a federal securities fraud action in connection with the purchase by CNI of 49,865,309 shares of common stock of Global Energy Group from certain insiders of GEG, allegedly violating the antifraud provisions of the Securities Exchange Act.

Global Energy's filings with SEC showed it had generated about \$12 million in losses.

O'Leary and Baker filed a request for a declaratory judgment. The filing states that on previous occasions the Council attorney has used the services of contracted attorneys to assist him on complex matters and such sub-contracts have been approved in the normal course of business.

O'Leary and Baker contend the legal fees are appropriate and proper.

The filing states they received information that legal action against them concerning the expenditure of the Cherokee Nation funds on the legal fees in question would be imminent.

Petitioners stated no Cherokee Nation funds have been paid or submitted to be paid on legal fees involving the suit in question. They want a court ruling as to whether they may contract individually to expend tribal funds for the prosecution of the case against Smith, Majewski and Dixon.

The Friday filing states Council Resolution 31-05 authorizes the members of the Tribal Council to expend funds for legal services on issues that are before the Council and that the subject matter of the seven Councilors' case against Smith, Majewski and Dixon is such an issue.

Without access to legal funds to bring actions to recoup the Cherokee people's money or to expose corruption or other bad acts, their effectiveness as Councilors would be hindered, the filing states.

CNI's purchase of Global Energy stock is the target of an SEC investigation.


Reach Donna Hales at 684-2923 or dhales@muskogeeophoenix.com.

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