

Slate Decides No Increase In Punishment

continued from page 1 On Serious Crimes

group of people from somewhere else. When she votes it is like there are two different worlds of Cherokees within our District. But I have lived here long enough to know that just isn't true," he said.

Some of Frailey's voting record is:

- 1. Voted against creating an Attorney General position that would serve as an independent prosecutor within the tribe to be elected instead of being appointed by a Chief,
2. Voted against Cherokee people having the right to call a Grand Jury to investigate improprieties within the Cherokee Nation government.
3. Voted against over riding the veto of an Act just after approving it as good legislation the month before, which would have amended the Initiative and Referendum Petition Act to provide better and more clear guidelines to the petition process, as the current law is said by legal experts to be unconstitutional.
4. Voted against a bill that would make it illegal for one candidate to pay for another candidate's campaign out of contributions (i.e. So a Chief can not fund a political slate of councilors to have control over the legislative branch).
5. Voted for it to remain legal to use CNO tribal moneys for contributions in Cherokee Nation elections.
6. Voted against a Bill that would mandate that all money paid to any lobby firm would first have to be approved by Council.
7. Recently voted against moving the money back to the Housing Authority.
8. She voted against increasing the dividend for tribal services from CNE.

by-blood as required by the 1975 Constitution. If Anglen is found to be not by-blood and illegally seated for the past five years, every issue that has been decided by one vote could be in question. Anglen has been the center of controversy since he applied for the empty seat the last term after Dorothy McIntosh's death. Questions are still unclear how Anglen could have been seated when records show he was not residing within the district at the time.

Anglen is also currently under investigation by the Department of Housing and Urban Development (HUD) to determine if he may have committed fraud against the federal government when he swore to the Election Commission and Council, that he lived in a house in Sperry, OK he listed as his residence while at the same time submitting it to the Cherokee Housing Authority as his Mother's residence, which later received almost \$40,000 of federal money through the tribe for a total remodel. Anglen was at the time an employee in Community Development, which was the same department that approved the remodel expenditure. Anglen did not resign as an employee until the final week Council voted on the appointment. However the law requires that any employee must first resign before seeking political office.

The Crimes Against Public Justice Act of 2006 to increase punishment on serious crimes was killed by a lack of support the same day suit was filed against Chief Chad Smith, Cherokee Nation Enterprises and other unnamed officials of the Cherokee Nation, alleging misappropriation of \$750,000 in tribal money when Smith cut the largest check in Cherokee Nation.

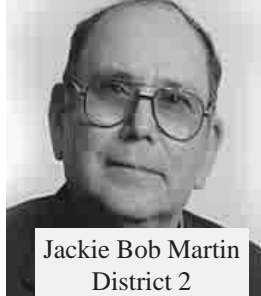
Ed. Note; So, "Is stealing a crime in the Cherokee Nation?" YES it is! But these guys don't think it is. Why would they be against Increase In Punishment On Serious Crimes? ..

These are the tribal councilors slate Chief

Chad Smith's has full control of . .



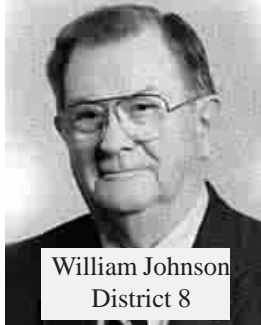
Buel Anglen District 8



Jackie Bob Martin District 2



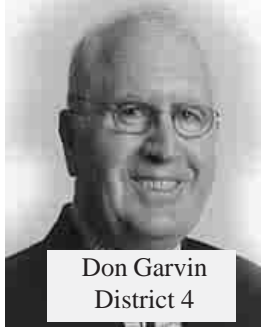
Meredith Swimmer Frailey



William Johnson District 8



Cara Cowan District 7



Don Garvin District 4

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deny felons jobs with tribe Convicted will also be prohibited from elected positions.

The Cherokee Nation Tribal Council in April passed an act prohibiting any Cherokee citizen who is convicted of committing a crime from employment or election to a tribal office.

The initial legislation called for banishment from citizenship, but following discussion, the revocation of citizenship was removed from the act.

The act applies to department heads, elected and appointed, of the CN who are convicted of bribery, embezzlement, fraud, perjury, forgery and theft.

Sponsored by Councilor Linda Hughes-O'Leary, the act was approved by a 9-6 vote.

Councilors who voted for approval were Bill John Baker and Audra Conner (both Dist. 1); Joe Crittenden (Dist. 2); Charles Hoskin (Dist. 9); Johnny Keener (Dist. 6); O'Leary and Melvina Shotpouch (both Dist. 5); David Thornton Sr. and Phyllis Yargee (both Dist. 3).

Councilors voting against the legislation were Buel Anglen and William Johnson (both Dist. 8), Cara Cowan-Watts (Dist. 7), Meredith Frailey (Dist. 6), Don Garvin (Dist. 4) and Jackie Bob Martin (Dist. 2).

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CNI Investment -World Class Vision or Blunder?

by Ed Crittenden

it appears a serious violation of Financial Accounting Standards may have occurred.

Evans said, "Evidence indicates that Majewski and Benny Dixon may have falsified information to their CNI board to obtain approval and make the original purchase of the stocks."

However the question still exists if the Board even formally approved the investment prior to the actual purchase.

Possible evidence of other alleged improprieties involving Majewski and Dixon, a former coach now serving as Director of Business Development for Cherokee Nation, surround the GEG operation. A string of subsidiary investment companies have spun off of the original investment in which the two have personal interests.

Also under investigation is a separate uncollateralized \$500,000 loan from CNI to GEG, which then loaned that money to Horizon MC Group, another company previously owned by the officials of GEG. The Observer correspondent recently witnessed Horizon MC Group installing new lighting fixtures throughout the Tribal Council House. The crew performing the work contained no Indian people and consisted of one Caucasian foreman and eight Mexican workers.

Smith, who appoints all board members to CNI, recently chose not to reappoint Jay Edwards from OKC, who admitted in a January CNI Board meeting that he had purchased and owns stock in GEG, presenting the possibility of insider trading.

A question exists if the tribe has any jurisdiction over non-tribal members should improprieties warrant an investigation. Majewski is not a tribal member.

The evidence from the internal investigation has been turned over to the SEC for investigation of federal violations because GEG is a publicly traded company.

CNI has been in a cash poor status since 2002 when the Cherokee Council authorized the bailout.

Crittenden stated, "It is one thing for the tribe to go into debt to prevent employees from a temporarily termination because of Executive mistakes. But getting into high risk situations because the tribe has the resources to bail them out is different deal. It is the Chief's pleasure to appoint Ex-

ecutives and Board Members and he has represented many of his selections as World Class Leaders. I just hope this situation does not turn into a world class blunder. It is becoming some what similar to Uncle Charlie's Famous Stink Bait, the more you stir it the ranker it gets."

Historically, Cherokee Nation's business ventures have been overshadowed by controversy and suspicion and many have ended insolvent. CNI had a similar situation in 1995 when it was discovered that Ross O. Swimmer as CEO of CNI had, without consulting the Board where Wilma Mankiller served, loaned \$550,000 in tribal money, from a BIA insured line of credit, to an investment group that had no experience or collateral to secure the loan.

When the \$550,000 loan went sour the tribe had to repay the bad debt. Swimmer was asked why he didn't request financial statements or get any collateral from the parties. He responded, "Those guys had put together a business but were new and had no track record. They seemed like pretty good people and they all had degrees or MBA's." After the situation became hot, Swimmer resigned his position and filed suit against the CNO for early termination of his contract. Cherokee Nation chose to settle out of court paying him \$100,000.

O'Leary said, "None of these high paid top officials better expect anyone to believe that this venture is just a bad investment. This deal has crossed over the line and suggests intent to defraud the Cherokee Nation. No investor in their right mind would have given this thing a second glance, much less borrow \$2.5 million plus to buy into it. Just do the math. GEG will have to earn \$12.5 million before the Cherokee Nation will realize even a penny profit. Plus this shell of a company has losses of over \$12 million since it started. Add that the only contract GEG seems to have is the one with Chief Smith in Tahlequah in an attempt to legitimize this whole thing and you have a pretty clear picture of the equation," stated O'Leary.

No listed phone number could be found for Jackie Bob Martin he could not be reached for comment.

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Chief Chad Smith Sued \$750,000 Misappropriation of Funds

by Ed Crittenden

hold the government in check until voters can correct the situation."

In January, Council appropriated \$1.25 million, \$750,000 for a TV Media Campaign focused on improving the image of CNO and \$500,000 for a Get Out the Vote Campaign that can also be used for political contributions in the current State and Federal Elections.

Carey said that he and former Cherokee Councilor Harley Terrell decided to circulate the referendum after discussing with citizens the lack of oversight and the lack of specifics in how funds could be used. He said that nothing was written into the law to govern such a large expenditure of tribal money. Carey said there were also many concerns about expending tribal money to make TV commercials and advertisements which could ultimately influence the perception of Cherokee voters just before the 2007 Election.

"We are seven months before the announcement period for the 2007 CNO Election. This expenditure very simply gives the administration, \$750,000 to paint a picture of how good of a job the administration has done serving the people," Carey said. "Cherokees who need services within the boundaries know well the conditions. However if a voter doesn't depend on services to give them some semblance of quality of life they might be more easily swayed. We believe that putting the money into actual services would be better spent than on commercials to sell some illusion and create distraction."

Carey said that during the petition drive proponents found overwhelming support among the Cherokee people. Petitioners gathered 526 signatures on the petition and estimate 364 signatures to be the minimum number required for the expenditure to be placed on the next ballot.

Petitions were filed with the Secretary/Treasurer, Callie Catcher on Easter Sunday April 16. Four other petitions were recently denied by the Election Commission for being outside of the 90 day period although no Election Commission had been in place for almost 2 years to receive them. Former Deputy Chief Hastings Shade was a proponent of those four petitions.

The Election Commission has been sued in the JAT. The case is pending, but has been severely delayed by a decision to combine the case with another unrelated case. Proponents believe the cases were combined to stymie the case. The decision to combine the cases was made with input or a request from the parties by Chief Justice Darell Matlock.

The regular monthly Election Commission meeting, scheduled for May 8, did not occur because three Commissioners had other engagements leaving no possibility of a legal quorum. Drew Wilcoxon and Patsy Morton, both appointed to the Commission by the Chief, and Rick Doherty, from Stilwell, a Council appointee, said they could not attend. The same three had voted to oppose receiving the four earlier petitions for verification of signatures. Rumblings have been heard of a suit which may be filed asking the JAT to decide if the two recent Chief appointments have a conflict of interest. The Wilcoxon law firm was paid almost three quarters of a million dollars for the Arkansas Riverbed settlement last year and Morton's husband and son work within the upper hierarchy of the CNO administration.

Carey said, "I am concerned when there is insufficient attendance that prevents a quorum, for a regular monthly meeting especially when there is such important election business at hand and since a suit has been filed concerning the expenditure of the funds targeted by the petition. The Commission has had this petition for over a month. It is not brain surgery, to verify on a computer that 526 people are registered voters. They should have been finished in two days," Cary said.

The Observer also recently learned that Chad Smith has, since the petition was filed, completed a series of filmed commercials to be aired in

the near future, allegedly using the same Texas firm that made his political campaign videos in 1999 and 2003.

The law suit alleges that the Respondent Chad Smith has caused to be paid a sum of \$750,000 to the corporate entity known as Cherokee Nation Enterprises in violation of the Constitution which states in part that:

1. Any measure referred to the people by the referendum shall take effect and be in force when it shall have been approved by a majority of the votes cast thereon

2. The referendum may be demanded by the people against one or more items, sections or parts of any enactment of the Council in the same manner in which such power may be exercised against a complete enactment. The filing of a referendum petition against one or more items, sections or parts of an enactment shall not delay the remainder of such act from becoming operative.

Court documents state that the Principal Chief and other named and unnamed parties have acted in accordance with Legislative Act 15-04, § XVI. However, that section is in conflict with the Constitution and is thereby unconstitutional, thus making any actions relying upon it also unconstitutional.

Carey said that there was emergency housing and heating stove money within the same Act that the referendum did not target and only the media and political contribution money was stayed by the referendum. He said, "The problem we are facing is that the law is in conflict with the Constitution. Smith is going to say that he is not in violation of the law. However the Constitution is quite clear and over-rides the law. In the end we will learn that some attorney left a back door in the law where the crooks could get away with only a slap on the hand," stated Carey.

Within the last political term a petition was circulated by Carl Guthrie of Stilwell to reverse a decision on a salary increase Council enacted for themselves. Allegedly, just after the Guthrie petition was filed, Todd Hembree, from Stilwell who serves as the attorney for the Council, was told by certain Councilors to rewrite the petition law and make the process as hard for the people to do as possible. Carey told the Observer that what ended up as the Initiative and Referendum Petition Act makes it nearly impossible for any citizen to exercise their constitutional rights through the petition process and absolutely undermines the entire idea of a democratic government.

"We are about to learn if this is a government of, by and for the people or just how powerless the Cherokee people have been left with such a convoluted law," Carey stated. "We are about to uncover an absolute attack on the Cherokee people by the last Council to guarantee Cherokee citizens have virtually no power to change anything through the petition process unless we can get the Judicial Branch to perform an exorcism on what many legal experts have said is evil and unconstitutional law."

Carey added, "Smith has exemplified through his blatant violation of the Cherokee Constitution, a perfect example of the type of self serving operation that the referendum power of the people was designed to stop."

"It should be getting abundantly clear to all that Cherokees don't have to go to the other side of the ocean to find a dictatorship," Carey said. "It's happening right here in the middle of America within the Cherokee Nation."

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