

Chukchansi tribe leaders' styles fuel dispute

By Pablo Lopez — The Fresno Bee Published: June 15, 2013

Nancy Ayala, at left, chairwoman of the Picayune Rancheria of the Chukchansi Indians, holds meetings in a windowless portable building near the tribe's Chukchansi Gold Resort & Casino.

The three leaders vying for control of the Picayune Rancheria of Chukchansi Indians and its \$9 million-a-month haul from its Madera County casino — have undeniably different styles.

Reggie Lewis, 62, conducts business from a high-rent, north Fresno office that has a sweeping view of the San Joaquin River. He has control of the tribe's multimillion-dollar bank accounts.

Nancy Ayala, 46, holds meetings in a windowless portable building near the tribe's Chukchansi Gold Resort & Casino, which opened in 2003 along Highway 41 near Coarsegold. Ayala controls the daily casino profits, which she no longer deposits in the tribe's bank accounts for Lewis to use.

Morris Reid, 72, keeps tabs on the tribe from his Fresno home near Saint Agnes Medical Center. He has neither access to the bank accounts nor the casino profits. While all three agree that in-fighting is bad for business, none of them are willing to step aside.

The power struggle has led to charges — and counter charges — of embezzlement that, in Ayala's estimation, will put the casino in bankruptcy within a year if the leadership issue isn't resolved. Now, Lewis has upped the ante, said Ayala, who described the dispute as "a chess match."

For years, Lewis opposed the North Fork Rancheria Band of Mono Indians' plan to put a swanky casino resort along Highway 99 north of Madera because it would cut into the Chukchansi tribe's profits.

As recently as May, Lewis sent out a newsletter to tribal members voicing his opposition. But now, Ayala said, he is trying to cut a deal with the North Fork tribe "for his own personal gain."

"He's a traitor. He's not only selling out his mother, he is selling out the entire tribe," she said.

Lewis and Elaine Bethel Fink, chairwoman of the North Fork tribe, didn't return several calls from The Bee seeking response to Ayala's charge.

Outsiders like Cheryl Schmit, director of Stand Up For California!, which opposes the proposed Highway 99 casino, say the Chukchansi power struggle illustrates the problems that come with Indian casinos. Schmit's group is based in Penryn, north of Sacramento, and was formed in 1996 to lobby for the strong ties between governments and tribes when it comes to gambling operations.

2013 JUN 12 PM 1:39
COUNTY OF MADERA
CLERK OF THE SUPERIOR COURT
BOARD OF JUDICIAL OFFICERS

Schmit, too, has heard of a potential deal between the Chukchansi and North Fork tribes.

"There's millions of dollars at stake and everyone wants it," she said. "It's like watching a train wreck."

Independence at stake

Reid, who has been involved in tribal leadership — and upheavals — since the 1990s when the Chukchansi casino was first planned, says the current fight could have even bigger implications: It could convince California voters, who have long embraced Indian gaming, to have second thoughts about it.

"I can see us (Indians) losing everything," he said.

To understand the dispute, a quick history lesson. The tribe's website says the Chukchansi people have inhabited the San Joaquin Valley and the foothills of the Sierra Nevada for more than 12,000 years.

The federal government set aside land, called The "Rancheria at Picayune" for the Chukchansi in 1912. But starting in the 1950s, the tribe's relationship with the federal government was terminated. Tribal sovereignty was ignored and segments of the "rancheria" property were taken and often sold, with minimal compensation.

As a result of a lawsuit, called *Tillie Hardwick v. the United States*, the Picayune Rancheria of the Chukchansi Indians' federal status was restored in 1983. In a few years, the tribe became federally recognized with its own constitution.

Ayala is a direct descendant of original Chukchansi tribe members.

Because the tribe is a sovereign nation, the federal Bureau of Indian Affairs has been reluctant to intervene in a tribal election, said Reid, who was first elected to the council in 1989 and has been on and off of it for 14 years.

In 1992, tribal council Chairwoman Jane Wyatt was recalled after missing meetings and firing staff, and the recall was upheld by the BIA. Reid, who was elected to the council when Wyatt was ousted, said Friday that back then Wyatt wanted to disenroll tribe members. Wyatt is Ayala's aunt, Reid said.

"That's why I don't trust Ayala," Reid said. "Everyone knows it is her goal to disenroll members because her family believes the tribe belongs to them."

Reid said he also doesn't trust Lewis, because he too might disenroll critics of his government.

Ayala's stake

The quest for power over the estimated 900-member tribe has exploded into violent skirmishes among tribe members in recent years, including a riot at the tribe's casino compound in February 2012.

The current upheaval began shortly after last December's election, when the tribe elected Ayala, chair; Lewis, vice chair; Tracy Brechbuehl, secretary; Karen Wynn, treasurer; and members-at-large Chance Alberta, Charles Sargosa and Carl "Buzz" Bushman.

First, the council voted in January to suspend Wynn and Brechbuehl for "ethics violations." Ayala signed the suspension papers, but says she now regrets it, explaining Lewis and his faction trumped up the charges against Wynn and Brechbuehl after she and others began questioning Lewis' and Alberta's expenditures.

"I felt pressured," she said recently. "I should have questioned them." Then, at a February tribal meeting, Ayala announced a referendum signed by 14 descendants of the original rancheria landholders. Ayala dissolved the council and installed her mother, Holly Wyatt, aunt Jane Wyatt, and other relatives as council members. She then announced plans to disenroll about 850 people.

Lewis, Alberta and Bushman left the meeting and later set up their own government at the swank office near Nees and Palm avenues in north Fresno.

Ayala reinstated Wynn and Brechbuehl; with Sargosa, they formed a quorum in support of Ayala. Meantime, the Lewis faction added Irene Waltz to form a quorum.

Ayala said recently she made a mistake to dissolve the council and announce plans to disenroll members. She points out that the BIA, the Department of Housing and Urban Development and other federal agencies recognize her council quorum.

Last week, HUD listed Ayala as the tribal leader in awarding the Chukchansi Rancheria Housing Authority \$954,966 in a nationwide federal grant program. "Though the casino turns a profit, we still have many members who lack adequate housing, and have poor drinking water and roads," Ayala said about how the HUD grant will help.

Whether she can regain control of the tribe is yet to be seen.

Lewis' stake

Lewis, who has been on the council continuously since December 2009, said recently that more than 50% of the tribe's estimated 760 voting members have reaffirmed his council as the tribe's governing body.

"While they have tried to disenroll members, I have done everything for the benefit of the tribe," Lewis said last week.

He and Alberta control the tribe's investment arm, called Chukchansi Inc. For years, the tribe has invested about \$135,000 a month into the corporation.

Ayala said she has proof that Lewis and Alberta have misspent more than \$3 million of the corporation's money.

"They're spending \$20,000 a month on the north Fresno office," said Brechbuehl.

Ayala said she also has receipts to prove Alberta has been spending \$10,000 a month on Robert Watts, a "life coach," who teaches innovation, teamwork and problem-solving.

In addition, Ayala said Lewis has a fetish for guns. He has a lot of them, she said.

In an interview last week at the north Fresno office, Lewis and Alberta declined to address Ayala's complaints. Instead, they talked about the tribe's investments. Among them: Sportsmen's Den sporting goods stores in Oakhurst and Mariposa; Yosemite Lumber in Oakhurst; Mighty Builders, a

commercial construction company licensed to do work in California, Nevada and Hawaii; and Mighty Oak Capital, a financing company in California.

Stepping out

This week, Chukchansi Inc. plans to unveil a coffee and a chocolate/elderberry treat at the Res California conference for American Indian economic development. The conference is at the Pechanga Resort & Casino outside the Southern California city of Temecula.

Ayala doesn't plan to attend. She's upset that the Lewis faction is bank-rolling the conference and Alberta and Watts are keynote speakers. Ayala said the Lewis faction doesn't have a legal right to rule. She said an April referendum where Lewis said he gained majority support from tribal members was rife with fraud and alleged payouts to Lewis' supporters.

In addition, she said when Lewis, Alberta and Bushman stormed out of the February meeting, they did not have a legal quorum to set up a government per the tribe's constitution. Therefore they did not have the right to install Waltz on their council or to hold an election to reaffirm their council. In March, turmoil over leadership led Rabobank to freeze the tribe's bank account. This put the tribe at risk of defaulting on roughly \$310 million in bonds for the casino.

Ayala's faction pays the tribe's bills. Since February, when she quit putting money into the bank account, her group has been paying with cash — vendors, workers, tribal members and anyone else owed money from Chukchansi. Ayala has petitioned the U.S. District Court in Fresno to stop Lewis from spending the tribe's money.

"We are the tribe's true council," Ayala said. "They are impostors who are spending the tribe's money for their own personal gain." But last week, a federal judge gave Lewis the right to intervene in Ayala's lawsuit. Lewis said if he prevails in court, his plan is to oust Ayala and her council from the casino compound. He then wants to level it and keep the tribe's operation in the north Fresno office.

"That place has been the site of too many fights, too much bad blood," Lewis said. "It's time for the tribe to move on."

"There's millions of dollars at stake and everyone wants it. It's like watching a train wreck." — Cheryl Schmit, director of Stand Up For California!

Federal officials want Chukchansi faction's lawsuit dismissed

June 17, 2013 Marc Benjamin The Fresno Bee

A federal gaming agency is urging a Washington, D.C., judge to dismiss a lawsuit filed by a Chukchansi faction no longer considered in power by the Bureau of Indian Affairs.

The group, headed by Morris Reid, filed the lawsuit in March claiming rightful leadership of the Picayune Rancheria of Chukchansi Indians since four of its members won a controversial election in 2011.

The Reid group is suing the National Indian Gaming Commission, claiming the agency ignored gaming rules changes the Reid council approved last year. Reid faction members proposed those amendments for commission approval, but those changes were never approved or rejected.

The reason the rules were changed was to keep an opposing faction, led by Reggie Lewis, from "misuse of casino resources."

Reid's faction said the gaming commission did not meet its statutory deadlines to approve, reject or offer assistance on the ordinance amendments.

The gaming ordinance dictates rules for Chukchansi Gold Resort & Casino <NO1>//<NO> near Coarsegold,<NO1>//<NO> as well as many other programs operated by the tribe in the casino and at its business complex.

Federal officials said they spoke with members of the Lewis group, which acknowledged it never requested changes to the gaming ordinance and that Reid was not part of their group. The lawsuit, filed in March in U.S. District Court in Washington, D.C., named three officials at the National Indian Gaming Commission as defendants.

In making a case for dismissal, gaming commission lawyer and acting Assistant Attorney General Robert Dreher recognized a continuing power struggle within the tribe.

BIA officials never officially stated the Reid group was out of power — but hadn't ruled it in power — following the 2011 election controversy where tribal voters supported four members of Reid's group for the seven-member council. But one of the election winners was disqualified, a ruling the Reid faction contested.

The Reid group then broke away from the Lewis group, creating two factions battling for power.

Last month, the Bureau of Indian Affairs sent a letter recognizing the winners of 2012 election and others remaining on the tribal council as the tribe's leaders. None of those members were in Reid's group.

"They told Morris (Reid) he didn't have authority because of the more recent election," said Richard Verri, lawyer for the Lewis group.

Instead, the agency said a mixture of two groups — one led by Nancy Ayala and the other led by Lewis — was the tribe's leaders.

In moving for dismissal, Dreher said the Reid group does not represent the tribe and "they lack standing" to press their claims.

He also said the federal courts and gaming commission can only recognize the group that BIA said is the proper governing council.

Unbeknownst to the Reid group, the federal Bureau of Indian Affairs had recognized members of the Reggie Lewis faction as the tribal council. The Lewis faction is now opposed by a third group led by Nancy Ayala, which represents the tribe's original landholders. Members of the Ayala faction filed suit last year seeking recognition as the tribe's only members. That suit was dismissed by a U.S. District Court judge in San Jose earlier this year.

After the ruling, Ayala got a referendum approved by members of two tribal families, which led to members of her four-member group taking control of the tribal complex and oversight of the casino in February. Lewis and members of his group maintain control of tribal bank accounts and both sides are now battling for power.

A former Reid faction member said the Reid group has no authority because it no longer has a quorum of council members from the 2011 election. "The Reid council should be defunct," said Dora Jones, who was one of the tribal council members elected in 2011 and an original plaintiff in the case. Jones resigned in March.

Reid, fellow plaintiff Dixie Jackson, and their lawyer could not be reached for comment.

Reggie Lewis' Chukchansi tribal council wins court ruling

Published: June 11, 2013 The Fresno Bee, By Pablo Lopez

A Fresno judge ruled Tuesday that a Chukchansi leadership group led by Reggie Lewis has legal standing to intervene in a federal lawsuit involving the tribe's multi-million dollar bank accounts.

The U.S. District Court ruling sets the stage for the ultimate prize: a federal court ruling on who controls the Picayune Rancheria of Chukchansi Indians in Madera County and its casino's haul of \$9 million a month from slot machines and table games.

Nancy Ayala, who contends she is the tribe's chair, filed the suit in April, seeking a court order to compel Rabobank to give her unrestricted access to the tribe's casino and other bank accounts.

Rabobank, however, has refused to do so. The bank recognizes Lewis' council as the tribe's legitimate governing body and has allowed it to withdraw funds, Magistrate Judge Michael J. Seng said in his ruling.

Court documents submitted by Lewis and Rabobank "raise substantial questions about the validity of the tactics used by the Ayala faction to assert control of the Tribe, justify its actions, and even initiate this litigation," Seng wrote. Therefore, "the court finds that the Lewis faction does have a significant protectable interest in the subject matter of this suit," he ruled.

The decision comes a day after Ayala's group circulated a month-old Bureau of Indian Affairs letter that apparently confirms her as the tribe's chair. Tuesday, Lewis and his supporters disputed Ayala's contention, saying the BIA letter was miscast as proof of her leadership. Lewis said more than 50% of the tribe's estimated 760 voting members have signed a referendum in support of his council as the tribe's governing body.

Lewis called the judge's ruling "a victory for the tribe. The legal process is tedious, but it is critical that we follow the proper legal procedures to protect the best interests of the tribe."

Ayala said she disagrees with Seng's ruling. "We fully intend to file an objection to clear up Lewis' ridiculous claims," she said. "We look forward to having our day in court on the banking issue. And we look forward to ending the Lewis group's illegal sabotage campaign against the Chukchansi tribe."

For years, factions led by Ayala, Lewis and Morris Reid have vied for power over the estimated 900-member tribe. The dispute has exploded into several violent skirmishes among tribe members including a riot in February 2012. Turmoil over leadership led Rabobank in March to freeze the tribe's bank account. This put the tribe

at risk of defaulting on roughly \$310 million in bonds for Chukchansi Gold Resort & Casino near Coarsegold.

Tuesday, Ayala's spokesman David Leibowitz said Ayala filed the suit to protect the tribe's bank accounts "from being looted by Reggie Lewis and his group."
Ayala said Seng's decision also runs counter to what the BIA said to Reid, who tried to get federal grants on behalf of the tribe but was rejected by the BIA.
In its May 17 letter to Reid, the BIA ruled that the Dec. 1 election was valid and said the governing body "authorized to conduct government to government with the BIA" comprised Ayala, chair; Lewis, vice chair; Tracy Brechbuehl, secretary; Karen Wynn, treasurer; and members-at-large Chance Alberta, Charles Sargosa and Carl "Buzz" Bushman.

Because Ayala's supporters include Brechbuehl, Wynn and Sargosa, she has a four-vote majority to run the tribe, Ayala contends. Alberta and Bushman support Lewis.

Attorney Richard Verri, who represents the Lewis group, said Tuesday that Ayala "did a power grab in order to steal money from the tribe."
He also said that actions after the Dec. 1 election have undermined Ayala's position: She signed off on suspending Wynn and Brechbuehl for "ethical violations" and announced in February that a new board was taking over. Her goal was to install her relatives on the council and disenroll about 850 people, Verri said. Ayala's referendum was illegal, Verri said, because it was based on a petition signed by 14 descendants of the original rancheria landholders — not 30% of the eligible voting members.

Lewis and his council countered with their own referendum, kicking out Ayala, Wynn and Brechbuehl during a tribal hearing in April on charges of "gross misconduct," Verri said.

That left Lewis as chair and Alberta and Bushman on the tribal council. After Sargosa forfeited his seat, the council appointed Irene Waltz to replace him, giving the Lewis group a legal quorum, Verri said.

Though Ayala has acknowledged that her attempted takeover in February was a mistake, she refuses to step down. She contends she is chair and her quorum comprises Wynn, Brechbuehl and Sargosa.

The case now heads to Judge Lawrence O'Neill's Fresno federal courtroom, but it's unclear when the legal arguments will take place; Seng has given Ayala 15 days to file an opposition to his ruling.

In addition, Reid, who has been involved in tribal leadership — and upheavals — since the 1990s when the Chukchansi casino was first planned, has filed court papers seeking legal standing in the federal case.

Ayala and her supporters call Lewis' faction "a rogue group" that has set up an unconstitutional government in a north Fresno office. Her group has tribal meetings in an office near the casino.

"We are ready to slug it out in court," Leibowitz said on Ayala's behalf.

