

# Casino Candidate Bustamante Loses Chips

by Michele Steinberg and Roch Steinbach

The California Recall “election,” the end result of Vice President Dick Cheney’s energy deregulation policy bankrupting the state, has hit some major bumps in the road. Republican candidate Arnold Schwarzenegger, backed by notorious mega-buck looters like Warren Buffett and George Shultz, has become as popular as a low-budget movie. And Democratic Lt. Gov. Cruz “Judas” Bustamante, has seen nearly all of his campaign warchest emptied by California Superior Court Judge Loren McMaster’s Sept. 22 decision, ordering Bustamante to return \$4 million in illegal campaign contributions from minuscule Indian tribes, who run gambling casinos for interests whose identities are, by law, *secret*.

Besides losing the \$4 million, the court’s decision puts Bustamante’s dependence on gambling money up in lights for California voters who may have been fooled into considering voting for him as “an insurance policy” against Gov. Gray Davis’ being recalled. Far from insuring a continued Democratic administration in Sacramento, Bustamante is the insurance policy for gambling interests in the state, should the Recall succeed and Bustamante win a vote fragmented among more than 100 candidates. As Democratic Presidential pre-candidate Lyndon LaRouche told the press in Burbank on Sept. 11, while personally intervening against the Recall hoax, Bustamante’s candidacy is a Trojan Horse for the war party that controls George W. Bush.

Bustamante has put his boundless ambition on display from the beginning: He was the first to violate Democratic Party and AFL-CIO urgings that no Democrat oppose Davis and thereby give the Recall credibility. Then, on Sept. 7, Bustamante dropped his “No on Recall, Yes on Cruz” posture, and simply began campaigning for himself—or, more aptly, his owners.

This comes on top of *LA Weekly*’s exposé, that Bustamante not only supported Assembly Bill 1890, but co-authored it—the very legislation that ushered in the energy deregulation on Enron’s behalf, which nearly destroyed the state. AB 1890 was modelled on the failed 1988 energy deregulation of Britain by Tory Prime Minister Margaret Thatcher. It is known, that in 1995-96, when Enron was lobbying California to adopt dereg, it brought its own “model legislation” . . . and plenty of blank checks.

Bustamante now has a choice, whether to keep prostituting for the Synarchist banking interests that want a coup to take over the state; or, to drop out of the race, and campaign for Davis as if his political future depended on it.

Bustamante’s circle also includes Sen. Joe Lieberman of Connecticut, organized crime’s preferred candidate for the Democratic Presidential nod. Lieberman and Bustamante have endorsed each other, and are “joined at the hip pocket” by casino and organized-crime contributions, both having pioneered support for gambling operations on Indian lands. Lieberman’s organized-crime connections were widely exposed in an Aug. 16, 2002 *EIR* offprint, “LaRouche Says: To Save the Republic, Stop McCain/Lieberman.”

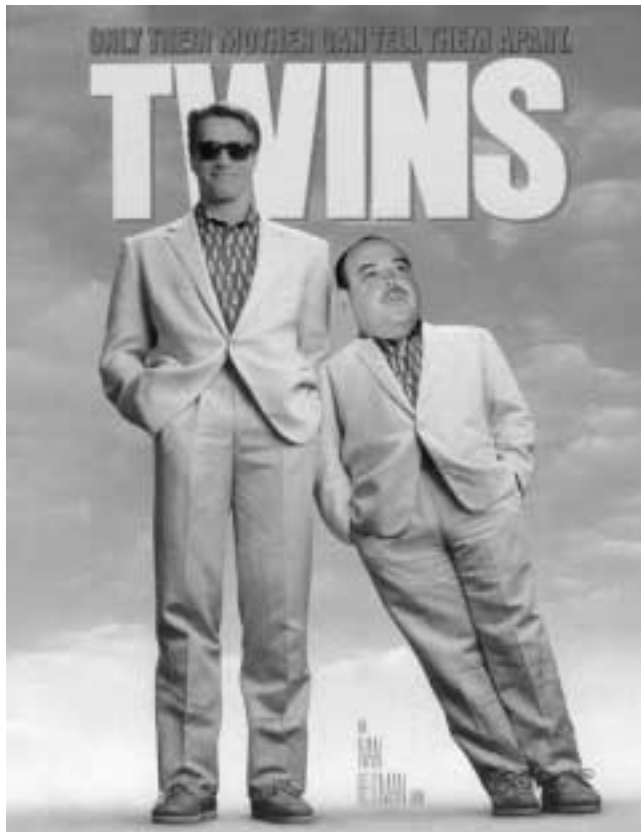
In the movie “Twins,” Schwarzenegger co-stars with a Danny DeVito, who bears an uncanny resemblance to Cruz Bustamante. In the movie, both were artificially bred by Nazi scientists for social control. In Hollywood, life imitates art.

## Casino Money for the Few

Bustamante’s major campaign funds come from legalized gambling—to wit, a handful of Indian tribes that own a Nevada-style gaming enterprise worth more than \$5 billion per year. In violation of California’s Fair Political Practices Act, which limits what trade unions, corporations, associations, or individuals can contribute to a state campaign, Bustamante received up to \$2 million from a single tiny Indian tribe, and another \$1.8 million from six Indian gaming tribes. While roughly 70% of California’s Native American population continue to live in heart-breaking poverty, California’s Proposition 5 and the constitutional Amendment 1A which succeeded it, transformed a small number of tribes—whose members number from 97 to 300—into multimillionaires. Ten tribes bankrolled the ballot proposition; the same ten donated \$68 million to get it passed. It was enacted into law in 1998, under the sham justification of providing a livelihood to impoverished tribes. Instead, it instituted a totally unregulated form of “enterprise”; namely, Nevada-style casino gambling.

For example, the top Prop 5 tribal supporters were the San Manuel Tribal Administration, at \$26 million; the Morongo Band of Mission Indians, at \$12 million; the Viejas Indian Reservation, at \$11 million; the Pechanga Band of Mission Indians, at \$9 million; and the Agua Caliente Band of Cahuilla Indians, at \$2 million. After it passed in 1998, Davis and the AFL-CIO successfully challenged Prop 5. Two years later, the Agua Caliente Band, with untold millions of dollars, collected enough petition signatures to turn it into a constitutional amendment. While there is no requirement for the tribes to report profits, revenues from tribal casinos in California were estimated at \$5 billion last year.

A well-placed California source told *EIR* that the identity of tribal backers, the background checks of those who manage the casinos, and even the names of the managing companies



*Life seems to be imitating art in California, given Lt. Gov. Cruz Bustamante's close resemblance to Arnold Schwarzenegger's "Twin" co-star, Danny DeVito. They are having more trouble leaning on each other in the Recall.*

are *secret*. Under both the Federal Indian Gaming Regulatory Act of 1988 and new state laws, California must enter into "Tribal-State Compacts" for Indian gaming, which require state "confidentiality" on any and all background checks on casino financiers and gambling partners. Section 7.4.3.(b)(i) reads: "The State Gaming Agency will exercise utmost care in the preservation of the confidentiality of any and all information and documents received from the Tribe, and will apply the highest standards of confidentiality expected under state law to preserve such information and documents from disclosure."

This would put California into the same swamp of organized crime and corruption that *EIR* has uncovered since its 1990 investigation of how international organized-crime and weapons-trafficking interests moved in on the impoverished Native American tribes, and took control of the gambling enterprises—while leaving the formal ownership in the name of the tribe.

It also throws a spotlight on the common ownership of Bustamante, and his very early endorser, Joe Lieberman. Lieberman was Attorney General of Connecticut, when the

tiny Mashantucket Pequot tribe was Federally recognized in 1983. Lieberman was elected to the U.S. Senate in 1988 with heavy backing from elements within the Cuban exile community led by Jorge Mas Canosa, the Miami boss of the Meyer Lansky casino crowd from pre-Castro Cuba; in 1992, the Pequots' very own Foxwoods Casino was built.

### **Richie Ross, the Kingmaker**

The "tribal sovereignty" cover is also used for funneling money into California's election campaigns. The California Fair Political Practices Commission sued the Agua Caliente Indians in January, for violating the state's campaign finance reporting laws; the state is charging that Agua Caliente failed to make timely disclosure of more than \$8 million in donations, between 1998-2002, when Indian gambling issues were on ballot referenda. The Agua Caliente argued that they make disclosures voluntarily, and, as a sovereign nation, have no obligation to comply with California election laws. The Commission argued that at issue is "conduct which corrupts state elections . . . and involves the affirmative assertion of the sovereign right and power of the state of California."

Incredibly, state Attorney General Bill Lockyer initially refused to defend California's position in the courts, but, after it came to light that Agua Caliente had made a \$25,000 contribution to his campaign, he relented.

Cruz Bustamante, like Bill Lockyer, is a client of California campaign consultant and lobbyist Richie Ross. Among Ross's other clients are the Barona Mission Indians, and the Viejas band of Kumeyaay; The same tribe whose casino in Alpine, east of San Diego, has been the chief contributor to Bustamante's Recall campaign war chest, having made more than \$2 million in "sovereign contributions." There are 288 people in the Viejas Band. Bustamante has also received \$500,000 from the Pechanga Band; \$300,000 from the Sycuan Band of Kumeyaay Indians; and a substantial contribution from the Barona Band. Ross is also lobbying state lawmakers for a proposed State Constitutional Amendment 10, which would allow further expansion of gambling. Ross client Sen. Dean Florez (D-Shafter) is carrying that bill.

"Bustamante has been totally dominated by Richie since he first ran for office," said Tony Quinn, an editor of the *California Target Book*, a nonpartisan organization analyzing state elections. Longtime Gray Davis advisor Garry South noted, "Richie Ross might want to consider that if Cruz isn't raising any money [except from the casino interests], it's because a lot of people don't want Richie Ross to run the state of California."

But there is only one way to defeat the Recall—to mobilize the citizens of California into a tidal wave of support for jobs, reconstruction, and financial reorganization, as Lyndon LaRouche and his youth movement have put before the electorate.