

The Money and the Power
The rise of the Chickasaw to economic stability

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Summary: Through modern economic policies and leadership structures, the Chickasaw nation has thrived through an era where so many tribes like it have fallen victim to impoverished times. As a unified organization, the Chickasaw Nation has produced an orchestrated model that up and coming tribes should strive to duplicate

Background: The Chickasaw Nation is a federally recognized Native American nation, located in Oklahoma. They are one of the members of the Five Civilized Tribes. The Chickasaw Nation was created after the Chickasaw people were forcibly removed by the US federal government to Indian Territory in the 1830s. Their removal was part of a larger effort by the federal government to relocate peoples from the Cherokee, Muscogee (Creek), Seminole, Chickasaw, and Choctaw nations. The removals became known as the "Trail of Tears". They have a proud history as Native American people and try to show it off as much as possible. Their population of 50,000 makes them one of the larger tribes in all the United States. But what makes them powerful is not the size of their population but the size of their pocketbooks. The tribe owns two off-track wagering facilities, 18 casinos, two bingo halls, 18 tribal smoke shops, seven motor fuel outlets, and two truck stops. They also own and operate Bedré Fine Chocolate in Pauls Valley, Lazer Zone Family Fun Center in Ada; WinStar Inn and Suites and Golf Course in Thackerville; Solara Healthcare in Westlake, Texas; Global Gaming Solutions, LLC; KADA (AM), KADA-FM, KCNP, KTLS, KXFC, and KYKC radio stations in Ada; and Treasure Valley Inn and Suites in Davis. Their estimated annual tribal economic impact is over \$13.9 billion. In addition, the Chickasaw Nation operates historical sites and museums including the Chickasaw Cultural Center, Chickasaw Nation Capitols, and Kullihoma Grounds. Their biggest venture is the WinStar World Casino. Originally opened as WinStar Casinos in 2004, the facility was expanded and renamed WinStar World Casino in 2009 and the 519,000 square feet of casino floor made it Oklahoma's largest casino and the 2nd largest in the world. This is not only a casino but is home to a hotel and golf course as well. With all these business ventures it is not

hard to see how they attain that almost 14 million dollar annual economic impact. While the tribe has grown economically it has had to adhere to the rules of the Indian Gaming Regulatory Act through this process.

The IGRA designates the use of gaming revenues to five strict areas: fund tribal government operations or programs, provide for the general welfare of their members, promote tribal economic development, donate to charitable organizations, and help fund operations of local government agencies. These guidelines were enacted to make sure the billion dollar Native American gaming industry would not just benefit the few but instead benefit the tribe as a whole. However, with the mandates that are supposed to help the Native American tribes thrive, comes the regulations put on them by the state and federal governments. Indian gaming is by far the most heavily regulated type of gaming in the country.

As the gaming industry has grown so have the tribes they are connected to. This has given the tribes the luxury of diversify their assets by expanding into different business ventures. The tribes have also looked deeper into their community's abilities to harness the energy resources that lie on their lands, including buying back land that they had previously lost. The communities have begun to concern themselves with their economic footprint and the long-run sustainability of their tribes.

A sometimes overlooked consequence of tribal gaming is what happens to the surrounding non-tribal areas. Some complain of the organized crime that casinos naturally bring, while others rave about the job opportunities. The surrounding community is affected in a number of ways by the mass influx of players the gaming industry brings to their stores, parks, and daily life. The success of Indian gaming is not only important for the tribe itself, but it can be incredibly beneficial to the non-tribal surrounding communities.

As these tribes accumulate more wealth and grow as a whole, the age old issues of sovereignty continue to rear their head. The issues that have plagued American Indians and their search for sovereignty have been troubling both the tribes and the United States government for years. Over the years these tribes have earned a sort of domestic sovereignty in which they have some powers of their own but not so much that they are considered foreign nations. There are different rules that different tribes must deal with because they lay within different state's borders. However, this should not be the case because the federal government is the one who the Constitution allows to deal with the Indian tribes.

The federal U.S. government has always been the government that makes treaties with Indian tribes, not individual states. This means that Indian tribes are separate from the federal or state governments and that the states should not have power to regulate commerce with the tribes, much less regulate the tribes. The states and tribal nations have clashed over many issues such as Indian gaming, fishing, and hunting. American Indians believed that they had treaties between their ancestors and the United States government, protecting their right to fish, while non-Indians believed the states were responsible for regulating commercial and sports fishing. These issues with government show themselves in licensing, compacts, the way the Native American people and businesses are taxed, and maybe most glaringly the issue of gaming.

Gaming has been the biggest point of contention between the states and the Native American tribes and has led to some give and take between the two parties. Both groups have had to compromise at some key issues. The laws have been the source of extensive controversy and litigation. One of the key questions is whether the National Indian Gaming Commission and Department of Interior can be effective in regulating tribal economic decisions related to Indian

gaming. Some in Congress are in favor of greater regulation, while some doubt the effectiveness. Many of the controversies have produced litigation, some of it reaching the U.S. Supreme Court.

Findings: If one was to go to the Chickasaw nation’s homepage they would think it was a business website if it was not for the picture of their tribal seal. Everything that adorns the website is extremely modern including slideshows of the people who run their tribes government. There is also a login and password for their website so that you can access all their amenities including grants, scholarships, and other electronic services. There is also an e-newsletter and a sort of classifieds section for people looking for a job. Maybe the most striking tool is the pages and pages of services that are listed for the Chickasaw people, including help with education, the arts, cultural meetings, sports, and others. For Native American tribes whose people have traditionally struggled economically, these services are invaluable.

Service	About	S
<u>A Saturday Arts Program</u>	To provide opportunities for Chickasaw and other students to develop in the arts through specific art projects offered after school and/or Saturdays. Completed...	
<u>Aalhakoffichi (A Place For Healing)</u>	Aalhakoffichi' "a place for healing," serves Chickasaw, and other Native American, youth and their families in need of support and recovery services stemming from...	
<u>2D and 3D Art Classes</u>	2D and 3D Art classes provide opportunities for art classes for children and adults through our programs and services. Classes are scheduled and promoted through the...	
<u>Aalhakoffichi' Outpatient/Counseling Services</u>	Aalhakoffichi' "a place for healing," counseling services provides therapy to children and youth, adults, couples and families. Stemming from family systems theory, all...	
<u>Abstinence Education</u>	The Office of Strong Family Development (OSFD) offers abstinence education and training for youth and family members. Abstinence education is offered to adolescents in...	
<u>Acting for the Camera Classes</u>	Acting for the camera classes are for children, teens and adults and scheduled throughout the year. The classes are two hours each for six consecutive weeks and...	
<u>Acting for the Stage Classes</u>	Acting for the stage classes are taught in three levels, basic, intermediate and advanced for children, teens and adults and are offered throughout the year. The classes...	
<u>Adult Learning Program</u>	The adult learning program provides academic assistance to adults within the Chickasaw Nation who have dropped out of high school and want to complete their General...	

That is just a snapshot of some of the provided services. The modernization continues with the tribe’s expansion into social media. The tribe is prevalent on twitter and has a Facebook page while most tribes around the United States do not have either. This allows members to try to

keep in touch with the tribe if they are away from the reservation or whatever the reason they need to keep in touch on the internet. The tribe has their constitution posted on their Facebook page which in some ways can help not just members of the tribe but those who are interested in the tribe and what their core values are. The tribe has made an interesting decision to separate their culture from some of their business ventures however. The Winstar World has virtually no tribal representation anywhere at the casino. Instead it tries to convey a vacation feel with replica building of London, Rome, Athens and other famous worldly destinations. While the casino may not have an extensive cultural link the tribe has used the massive profits from the casino to build a new cultural center and museum in Sulphur, Oklahoma.

The Chickasaw Nation had an estimated 13.9 billion dollar economic impact last year. For years now the tribe has been a leader and a model to other Native American tribes. After suffering through relocation in the “trail of tears” so many years ago it has built itself into an economic power in the Midwest. Both the people of the Chickasaw Nation and the non-tribal citizens in the surrounding communities have benefitted from their gains. As the tribe has gained power it has clashed heads with the United States government and its regulation, even taking the IRS to the Supreme Court over taxes on gaming. The tribe has thrived under the IGRA with 90% of its profits going towards services, education, and general welfare. The tribe’s website is references to organizations that can help the tribal members with almost anything. But also the tribe has figured out ways to get out from under the IGRA’s regulations stranglehold. They have done this by diversifying their profit gaining assets. Diversifying assets not only expands them away from the IGRA but it makes for a much more sounds business model: “But the tribe, based in Ada, also had interests in banking, health care and other professional services, led by Chickasaw Banc Holding Co., which operates Bank2 in Oklahoma City, and Chickasaw Nation

Industries, which provides services for state, federal and private clients. Chickasaw businesses also include manufacturing, tourism and energy” (Mize). If, for some reason, the tribe was no longer profiting from gaming then it would not spell the end of the tribe economically because it has expanded its portfolio.

An interesting policy that the tribe has enacted is the decision to not issue per-capita payments to tribal members. The Chickasaw Governor Bill Anoatubby says they like to give a “hand up, not handout” (Anoatubby).

The tribe’s enterprises have also helped not only the surrounding communities but the whole state of Oklahoma economically. The backlash against the tribe has been minimal to non-existent because people are understanding the dependence the state and the tribe have with each other: “Through its diversified enterprises, the study underscores that the Chickasaw Nation has become an integral part of Oklahoma's overall economy and is now among the top employers and purchasers of goods and services in the state” (Mize). However, the tribe was recently in a battle with the Oklahoma City Zoo as one of its subsidiary companies petitioned to buy the Oklahoma City Zoo Amphitheater. This has been a sort of public relations nightmare as the relationship between the tribe and subsidiary company was not disclosed at first. The reasons for why this information was hidden was never revealed by the tribe as they sort of stonewalled questions about the matter.

As for the people who use the casino, there seems to be a positive feedback loop between the players of the casinos like the WinStar World and the surrounding area economically. As the communities around the casinos have grown because of increased tourism, the success of the casinos has continued to grow. The casino is definitely not running its players money dry.

As the Chickasaw Nation has gained power and wealth from their numerous and prosperous business ventures, they have ran into the wall of regulation instilled by the state and federal government. Almost all Indian gaming issues draw back to IGRA: “The stated purposes of the act includes providing a legislative basis for the operation/regulation of Indian gaming, protecting gaming as a means of generating revenue for the tribes, encouraging economic development of these tribes, and protecting the enterprises from negative influences, such as organized crime” (NIGC). The Indian Gaming Regulatory Act is the sole voice on the revenues of Indian gaming. It established the five uses the revenues can be used for and has kept money in the tribes. These regulations have helped the people of the Chickasaw nation. However, not all the tribes dealing with the government have been so friendly. In 2001 The Chickasaw Nation took a case all the way to the supreme court when they appealed the fact that they had to pay the IRS taxes on gaming operations because they thought the IGRA exempted them from such taxes: “The Choctaw and Chickasaw Nations, in a lawsuit, claimed that the Gaming Act subsection's explicit parenthetical reference exempts them from paying those chapter 35 taxes from which the States are exempt” (OYEZ). They did not end up winning the case but these Indian tribes getting their case to highest court in America shows the importance of their economic standing.

Like many states Oklahoma has mandates that require the casinos and gambling institutions to warn people of the risks of gambling and to provide help for those who are suffering from a gambling addiction. Tribes must also pay exclusivity fees for both electronic and table games. Some are quite steep as the casinos must pay 10 percent of the monthly net winnings for table games. While the Chickasaw are a sovereign tribe they still have to deal with the taxation and regulations put forth by both the state and federal governments.

Conclusion: Obviously the inherent sovereignty that should have always been afforded to the American Indians tribes has not been honored through the years of United States history. The Native American's like the Chickasaw have been forcibly removed from their lands and treated as enemies.

The policies of the federal government have begun to improve with acts like the IGRA, although the motivation behind the act can be debated, showing actually awareness and thoughts about the well-being of these tribes. Gaming has been an important resource for the Chickasaw and others to regain their footing in this country that betrayed them. However, it seems as though as these casinos have become more successful the states have seen a money making opportunity within their grasps. Some petty policies and taxation rules serve no real purpose in the survival of neither the tribe nor the state. The state and federal governments must find ways to stay out of the business of the tribes yet help them whenever possible.

The important issue here is whether state and federal intervention into the lives of tribes is hindering the success of the tribe. With the Chickasaw it does not seem like this is happening at the moment. But with some of the Indian gaming commission laws set to expire in Oklahoma in the next 10 years it will be interesting to see if the state can keep its hands out of the Chickasaw's pockets.

The state should keep its interfering to a minimum because the Chickasaw, just as the Seminoles have done in Florida, have established themselves as vital to their home states economy. Just as a large business such as Nike or Boeing brings jobs and money to a local economy so does the Chickasaw Nation. Gaming is what has built their empire to be able to support their tribe's people that depend on its economic stability. The IGRA has made it so the funds are replenishing the tribe with newfound opportunities and ideals. But it will be their

escape from the IGRA with different businesses from gaming that will decide the success on the tribe for years to come. When a company, tribe, or business puts all their profit making abilities into one enterprise they may become extremely successful, but they will always be at risk of a sudden collapse. For instance, if a state was to allow gaming for everyone than the tribes would have to survive with many more competitors. This could make it so gaming was no longer able to sustain the tribe financially to an acceptable point.

By separating from the regulations and delving into such enterprises as energy and sustainability, the tribe is setting themselves up for long term success. While this is the goal there is still a long way to go. With only 10% of the tribes profit coming from non-gaming ventures there is obviously progress to be made. But with the recent gains of the tribe they are obviously moving in the right direction.

There is no question of how much the massive profit gaining ways of the tribe have helped them provide for their people. The Chickasaw people are experiencing a boom in their economy that few other tribes can even rival. However, there is a dichotomy in this process of making money. As a proud Native American culture the question of “at what cost?” must be asked. Native American culture was founded on spiritual being and a connection to surroundings; not just the earth but the people around them as well. It is hard to imagine something that opposes these ideals more than a casino, and the 2nd largest one in the world at that. Casinos are founded on gambling and somewhat on drinking, which are things that have been destroying the Native American culture in the 21st century. The alcoholism rate is much higher for Native American’s than with any other culture including 1 in 10 Indians dying of something alcohol related. While the WinStar World has almost no parallels to Native American culture in the structure or running of the casino, its profits still do go to the tribe. But if the

money that is being made is just being turned around and used to fight off problems that stem from the same business that makes the money than what is the point of making the money in the first place? It's something that these people have been struggling with for some time. Yes, the money has built museums and cultural centers for people to visit and learn about the Chickasaw tribe. But if its own people are down being pulled away from their cultural and into a culture of gambling and alcoholism than whatever made that money is not worth it. These questions are truly ones that only the people of Chickasaw tribe can answer but unfortunately the answer is almost always the same: money plays.

Fortunately most of these issues are not some inherent issues of Native Americans but more of issues of poverty. As the casinos and other businesses have supported the economy of the Chickasaw people, they have been able to avoid these issues on a large scale. The Chickasaw people are incredibly prideful in their culture and their way of life. The tribe's decision to not issue per capita because of the belief that an American Indian, with help from tribal services if needed, can thrive in today's United States' culture is an incredibly power social statement. This is not some false "pull yourself up by your bootstraps" talk. It is a governmental policy that throws convention out the window and says that the people of Chickasaw Nation will not just endure through all the years of discrimination but that they will thrive in it. This is an amazing tribe that has set a plan for others to follow in the greater Native American struggle in the United States.

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