

Insiders Worked Both Sides of Gaming Issue

E-mails Suggest Men Tried to Exploit Closure of Casino for Huge Fees From Tribe

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Washington lobbyist Jack Abramoff and public relations consultant Michael Scanlon quietly worked with conservative religious activist Ralph Reed to help the state of Texas shut down an Indian tribe's casino in 2002, then the two quickly persuaded the tribe to pay \$4.2 million to try to get Congress to reopen it.

Dozens of e-mails written by the three men and obtained by The Washington Post show how they built public support for then-Texas Attorney General John Cornyn's effort get the courts to close the Tigua tribe's Speaking Rock Casino in El Paso in late 2001 and early 2002. The e-mails also reveal what appears to be an effort on the part of Abramoff and Scanlon to then exploit the financial crisis they were helping to create for the tribe by securing both the multimillion-dollar fee and \$300,000 in federal political contributions, which the tribe paid.

Ten days after the Tigua Indians' \$60 million-a-year casino was shuttered in February 2002, Abramoff wrote a tribal representative that he would get Republicans in Congress to rectify the "gross indignity perpetuated by the Texas state authorities," assuring him that he had already lined up "a couple of Senators willing to ram this through," according to the e-mails.

What he did not reveal was that he and Scanlon had been paying Reed, an avowed foe of gambling, to encourage public support for Cornyn's effort to close two Indian casinos in Texas. Abramoff, one of Washington's powerhouse Republican lobbyists until his work came under scrutiny by law enforcement agencies this year, has long been close to Reed, former executive director of the Christian Coalition and now southern regional chairman of President Bush's reelection campaign. Both have political ties to House Majority Leader Tom DeLay (R-Tex.), as does Scanlon, who had served as his spokesman.

In the end, Abramoff and Scanlon failed to get the casino reopened.

E-mails concerning the Tiguas from Abramoff's computer at his former law firm, Greenberg Traurig, and obtained by The Post, show Abramoff and Scanlon preparing to sell themselves to the tribe as Cornyn's office won federal court rulings against Speaking Rock Casino.

On Feb. 6, 2002, with the casino's shutdown just two days away, the tribe was desperate. Abramoff made his move. "I'm on the phone with Tigua!" he wrote in a 9:54 a.m. e-mail

to Scanlon. "Fire up the jet baby, we're going to El Paso!!"

A week later, a Texas consultant employed by the tribe thanked Abramoff for his visit and said he would push his proposal. Abramoff forwarded the e-mail to Scanlon with the message: "This guy NEEDS us to save his ass!!"

Days later, on Feb. 19, Scanlon sent Abramoff an El Paso Times news story headlined "450 casino employees officially terminated" with the message: "This is on the front page of today's paper while they will be voting on our plan!"

"Is life great or what!!!" responded Abramoff.

The large lobbying and public relations fees Abramoff and Scanlon garnered from Indian tribes that operate gambling casinos -- known to total at least \$50 million -- are the subject of a grand jury investigation in Washington. The FBI and a task force of five federal agencies are investigating campaign contributions the two men directed the tribes to make to members of Congress, and whether tribal funds were misused in the contracts the two men obtained or the fees they collected, among other issues, according to government sources.

The Senate Indian Affairs Committee also has been investigating Abramoff and Scanlon's work with the tribes and has scheduled a hearing for Wednesday. The FBI and the committee have issued numerous subpoenas for documents as part of their investigations.

Abramoff's lawyer, Abbe Lowell, declined to answer questions about Abramoff's activities regarding the Tiguas. He issued a statement saying the context provided by the documents may be incomplete. "The complete facts would show that the work performed by Mr. Abramoff was consistent with the interests of all of his clients," his statement said.

Scanlon's attorneys, Plato Cacheris and Stephen L. Braga, did not return calls for comment last week.

John Batoon, a lawyer for the Tigua tribe, said tribal officials would not comment for this report but are cooperating in federal investigations of Abramoff and Scanlon's activities.

The tribe's governing council voted on Feb. 19 to hire one of Scanlon's companies for a plan devised by Scanlon dubbed "Operation Open Doors," according to government sources and documents provided to The Post. Those documents include copies of three March 2002 checks for payment to Scanlon's firm totaling \$4.2 million. A second Scanlon company wrote a check for \$2.1 million the following month to Kay Gold LLC, a company formed by Abramoff, according to records obtained by government investigators. The check does not indicate what the payment was for.

Abramoff told the tribe in e-mail that Greenberg Traurig would work on getting legislation passed "on a pro bono basis," and thereafter expected to be retained as lobbyists for between "\$125,000 and \$175,000 per month."

Greenberg Traurig was not registered as lobbyists for the Tiguas. The firm said in a written statement that it is conducting an internal investigation of Abramoff's activities and would have no comment for this article.

Greenberg Traurig asked Abramoff to resign last March, after a Post article disclosed

that he urged tribes to hire Scanlon for millions of dollars in public relations fees that do not have to be publicly reported under federal lobbying rules. The firm said after the article was published that "Mr. Abramoff disclosed to the firm for the first time personal transactions and related conduct which are unacceptable to the firm." The disclosure sparked law enforcement and congressional investigations.

Abramoff encouraged tribes he lobbied for to hire Scanlon's companies to do grass-roots public relations work. Scanlon paid Abramoff at least \$10 million, Senate investigators discovered in March. Neither the tribes nor Greenberg Traurig was aware of the payments, they have said.

The e-mails reveal how closely Abramoff and Scanlon worked in tandem with Reed, whose longtime opposition to casino gambling and his connections to churches made him a powerful ally in Texas's effort to shut down the Tigua casino that Cornyn said was operating illegally. Reed was paid \$4.2 million by Abramoff and Scanlon for his work opposing several tribal casinos in southern states from 2001 to 2003, government sources said.

The National Journal reported last week that \$2.4 million of that money went through the American International Center, a foundation set up by Scanlon in Rehoboth Beach, Del. The sources confirmed that account.

Reed said late last month that he and his consulting company, Century Strategies, had been paid as much as \$4 million by Abramoff and Scanlon to organize a coalition in opposition to several Indian tribe casinos. Abramoff and Scanlon represented tribes in Mississippi and Louisiana that sought to block other tribes from operating rival casinos in Texas, Louisiana and Alabama that could draw away gamblers. Some of the coalition work for which Reed was paid involved the effort in Texas, according to government sources who have seen checks to him from Scanlon's operation.

"We knew that Greenberg Traurig was recruiting coalition members and raising funds as well, but we had no direct knowledge of their clients or interests," Reed's office said in a written statement. "At no time were we retained by nor did we represent any casino or casino company."

Reed declined to be interviewed for this article but said through a spokeswoman that he did not know that Abramoff and Scanlon had been hired by the Tigua tribe after its casino was closed.

In an e-mail to Reed on Feb. 11, 2002, Abramoff did not mention he had been in contact with the Tiguas. He wrote: "I wish those moronic Tiguas were smarter in their political contributions. I'd love us to get our mitts on that moolah!! Oh well, stupid folks get wiped out."

The e-mails show the three men hustled to provide a show of public support for Cornyn's efforts to shut down the casino, which he contended had operated illegally under Texas law for eight years. The coalition made phone calls, rallied pastors and religious activists, and conducted a media campaign in support of closing the casino.

A spokesman for Cornyn, who was elected to the U.S. Senate in 2002, said that Cornyn does not recall any contact with Reed, Abramoff or Scanlon on the Tigua issue.

In November 2001, the Tiguas took out full-page newspaper ads in Washington and across Texas, saying Cornyn was using a "legal technicality" to kill jobs and decent

housing for tribe members and return them to poverty.

"Wow. These guys are really playing hard ball," Reed e-mailed Abramoff on Nov. 12. "Do you know who their consultant(s) are?"

Abramoff responded: "Some stupid lobbyists up here who do Indian issues. We'll find out and make sure all our friends crush them like bugs."

At Reed's suggestion, Abramoff urged Scanlon to mobilize calls from the public to Cornyn's office supporting his efforts. A couple of months later, Reed reported to Abramoff that "we did get our pastors riled up last week, calling his office. Maybe that helped but who knows."

Abramoff replied: "Great. thanks Ralph. we should continue to pile on until the place is shuttered." He suggested getting "one of our guys in the legislature" to introduce a bill that would bar vendors who do business with casinos from state contracts so that "Cornyn can sit back and not be scared. Let one of our tigers go get em. Do we have someone like this and can we get it introduced as soon as possible?"

"We have tigers," Reed assured him.

Researchers Lucy Shackelford and Meg Smith contributed to this report.

<http://www.washingtonpost.com/wp-dyn/articles/A50258-2004Sep25.html>