



FEDERATED INDIANS OF  
**GRATON**  
R A N C H E R I A

June 1, 2020

Senator William Dodd  
State Capitol, Room 4032  
Sacramento, CA 945814-4900

Assemblyman Adam Gray  
California State Assembly  
P.O. Box 942849 Sacramento, CA 94249-0021

**Re: Opposition to SCA-6 (Dodd)**

Dear Senator Dodd and Assemblyman Gray:

I write to express the strong opposition of the Federated Indians of Graton Rancheria to SCA-6. This proposed Constitutional amendment would undermine the exclusive tribal gaming rights overwhelmingly approved by the voters of California and would reward the cardroom industry by legitimizing its current illegal practices.

California law, enacted by the voters in 2000 through Proposition 1A with over 64% approval, bans casino gambling, with a single exception: for Indian tribes to operate slot machines, lottery and banking and percentage card games on Indian lands under compacts with the state. The cardroom industry has unlawfully operated card games in violation of this rule for years. The cardroom industry's practices are the subject of ongoing civil litigation, investigation by the state Attorney General, and pending regulation by the Bureau of Gambling Control. SCA-6 would reward the scofflaw cardroom industry by legalizing these unlawful activities.

On its face, SCA-6 purports to be about permitting sports betting in California. Our tribe, along with other California Indian tribes, have been working toward an initiative constitutional amendment to authorize sports betting on Indian lands and at horse racing tracks in a manner that promotes the best interests of the public and does not reward an outlaw industry. Our measure would generate millions in revenues for the state without permitting online sports betting, which repeated polling has shown to be disfavored by voters concerned with preventing gaming access by minors. In addition, our measure strengthens the enforcement of California's current gambling laws to allow Californians to hold unlawful gambling operations accountable through Private Attorneys General Act provisions in this area where the state has done an inadequate job of regulation. Your measure contains no protections in this regard.

The true intention of SCA-6 to reward a corrupt, outlaw industry - the cardrooms – is evident from the dishonest “fact” sheet you have circulated in support of the measure. The “fact” sheet claims that the measure allows cardrooms the opportunity to continue to offer the games that “they are currently authorized to play.” This is blatantly untrue: in fact, the measure would break the promise made in Proposition 1A of restricting Nevada-style card games to Indian lands. If cardrooms were already authorized to offer banked games, no constitutional amendment would be necessary. SCA-6 offers a new definition of banking or percentage card games specially for cardrooms, allowing them to legally offer the range of games that they are currently offering outside the law. Only six months ago, the Bureau of Gambling Control imposed a fine of over \$3 million against a cardroom for misleading gambling regulators and failing to deter money laundering. The cardroom was also hit with \$2.8 million in federal fines for violations of the Bank Secrecy Act. This is far from the only incident, as California cardrooms have been hit with multiple civil and criminal actions for fraud, money laundering and licensing violations. There is no justification for rewarding this corrupt industry by legitimizing the illegal actions it has been profiting from at the expense of tribal governments that have operated their casinos with integrity for many years. The cardrooms have repeatedly attempted to undo the will of the voters expressed in Proposition 1A through litigation, but have been rebuffed by both the California Supreme Court and the Ninth Circuit Court of Appeals (see *Artichoke Joe's Grand California Casino v. Norton*, 353 F.3d 712, and *Flynt v. California Gambling Control Commission*, 104 Cal. App. 4th 1125). SCA-6 is an underhanded attempt to accomplish the same goal.

SCA-6 is a shameful throwback to an ugly and unjust part of history which would make the State of California break its promise to Native American tribes to restrict casino gambling to Indian lands. The promise of offsetting this loss with the right of tribes to offer online sports betting is a chimera, not least because SCA-6 is vulnerable to legal challenge in its poorly thought-out formulations of allowing online sports betting and direct taxation of tribal revenues.

California’s tribes have created tens of thousands of jobs statewide and like other tribes we contribute greatly to the state as well as our local communities. Our tribe alone, in less than seven years operating Graton Resort & Casino, has contributed over \$75 million to Sonoma County and our neighboring city government and school district. SCA-6 is a direct affront to the Federated Indians of Graton Rancheria and our sister tribes statewide, and we will take every action available to us to fight it.

Sincerely,



Greg Sarris  
Chairman

cc: Members of the California Legislature  
Governor Gavin Newsom