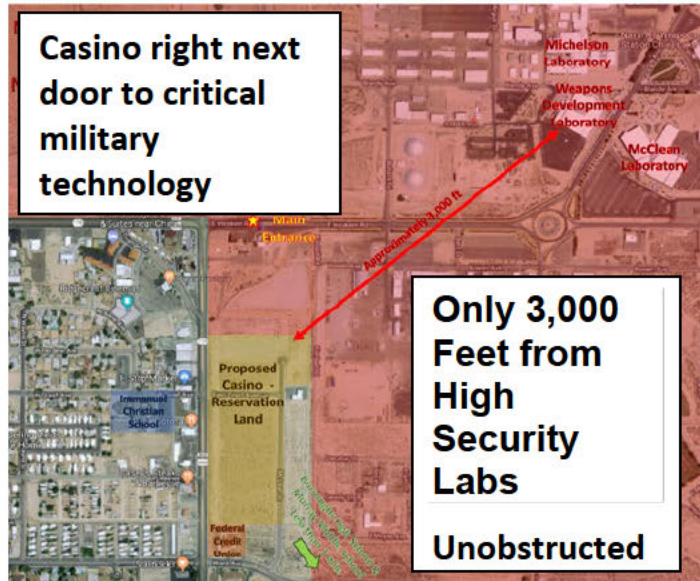


Department of Defense Serious Issues

Casino to be located adjacent to top secret DoD weapons facility. Totally unacceptable. Threatens homeland security, employee clearances, and young sailors and families.

To begin with NAWCWD / NAWS is a top-secret military critical weapons development base, and its security team does an outstanding job. The base was built in the 1940s in the remote Mojave Desert and was, and is still known, as the "Secret City." The location was originally selected as a highly **remote** and **secure** place for conducting RDT&E of highly sensitive military weapon technologies. Top secret missions are routinely conducted throughout the base and on the ranges. Security is priority one on our base, but this new casino greatly increases our security risks. **The security topics "remote," "un-encroached," and "secure" are even more important in 2018 than they were in 1943.**



"City Issue" now becomes "Base Issue." The problem revolves around the fact that this issue has, up until now, predominantly been a "city issue" and therefore, the base has appropriately not directly engaged. In 2016, when this began, the tribe and developers provided very little meaningful data other than marketing materials. However, this plan has steadily progressed, a land sale agreement and Municipal Services Agreement with the city was signed, and over the past two years extensive new data is now available on this project. **Data that clearly shows devastating effects.** The matter is no longer just a "city issue." Now, from a base standpoint, the issues are serious and involve seven main issues. It is critically important that the DoD and the base weigh-in. Decisions to take the land into trust could be made any day now.

Former NAWCWD / NWC Commanding Officers and Technical Directors oppose the casino!

CAPT Mark Storch, USN (Ret. Former Commander NAWCWD and Commanding Officer, NAWS China Lake) • Former NWC Technical Directors Directors opposing include: Burrell W. Hays, William B. Porter, Gerald R. Schiefer, and Stirling Haaland

Local DoD Anti-Casino Testimonials (10-pages). Includes testimonials from former NAWCWD and NAWS Commanding Officers, former Technical Directors, Military Leaders, Retired Admirals, Security Officer, and the Kern County Sheriff. Additional testimonials from high-level DoD employees, Engineers & Specialists, Doctors, Business Owners, Teachers, Churches and Pastors, Community Leaders, Nurses and Teachers.

Casino to be located adjacent to our top-secret DoD weapons facility. Totally unacceptable!

Nine Significant Risks to NAWCWD and NAWS

- 1. Homeland security issues.** Espionage risks increase since the land purchased to build the casino is ADJOINING base property, less than 3,000 unobstructed feet from top secret military critical weapon laboratories. Also, potential risks to Signal Intelligence (SIGINT) and Electronic Intelligence (ELINT) are heightened. Secure Radio Transmissions? Listening posts or cell towers right outside of the base? Several story hotel overlooking? The House Armed Services Committee is growing increasingly concerned about base security as it pertains to real estate immediately surrounding high-security DoD facilities. One Presidential order blocked purchase of real estate near the Naval Weapons Systems Training Facility in Oregon. Also, the U.S. military closed a Nevada

casino for base security purposes, and research indicates that the government also purchased properties adjacent to Fort Meade due to heightened security concerns. (See report.)

2. **Crime rate will increase significantly at the front gates of our military base, as well as for the entire military family community and the city of Ridgecrest due to the proposed casino. Threat to public safety and security.** Even casino developers openly admit that crime rates increase. Study after study shows this to be true nationwide. In one 2005 study of county-by-county data from 1977 to 1992, researchers found that significant increases in crime frequently followed the introduction of a casino, with rates continuing to climb every five years afterward. Crimes including robbery, aggravated assaults, auto theft, burglary, larceny, rape, and murder were 136%, 91%, 78%, 50%, 38%, 21% and 12% higher respectively. Since this study was conducted, numerous nationwide studies continue to show similar results. In addition, Ridgecrest has no jail, nor major mental health facilities.
3. **“Sovereign Nation” immunity supersedes base authority.** Casino operations could end up a major problem for the Navy, since neither the China Lake police, Naval Criminal Investigative Service (NCIS), the Ridgecrest Police, Sheriff, DA, etc. have little to no jurisdiction on “Sovereign Nation” lands and matters. If any serious issues arise, they would eventually fall under the authority of the Bureau of Indian Affairs (BIA). Under the previous administration, the BIA won case after case in favor of any disputes. If the DoD loses to the BIA, national security could be at risk. (League of Cities attorney says deck is heavily stacked in favor of BIA.) Tribe has their own police force and is totally self-regulatory.
4. **Young sailors and families at risk. Gambling and pot at front gates of base?** One pot brownie (failed drug test) or one bad night gambling (bad credit scores risk security clearances) could wreck the entire military career of young sailors. Pot goes against local municipal codes, federal law, and the DoD has a zero-tolerance policy. Despite vehemently denying it for two years, the tribe is now publicly admitting that they “should be allowed” to enter the marijuana market. And they are now selling medicinal pot in Bishop and selling recreational pot in Death Valley and will probably be selling at the front gates of the base next if all this is allowed to go through. The sad reality is that many sailors don’t even have transportation and they would be easy walking distance to this casino.
5. **Common water table at risk (30% critical overdraft and tribe just secured groundwater drilling rights!) Common wastewater development at risk.** The base shares our common water table in our small, remote, desert town. If the tribe decides to pump and export water, the survival of our base and community could be at risk. A casino did just that in Barona, California and many other places around the nation, leaving towns “high and dry” (see report.) **Wastewater Risks:** In addition, the city is currently working with the Navy on a common/shared wastewater plant. As our current Municipal Services Agreement (MSA) states, the tribe “MAY” connect to city sewer. This vague language allows “alternative” unsafe methods by the tribe and casino if built. (See report.)
6. **Detrimental to professional recruiting efforts.** Numerous ESDPs (Engineer and Scientist Development Program) students and young families have pledged to move out of town if this casino moves in. They came here to our beautiful, remote desert community because we are a high-tech base with a “family oriented” town. (See testimonials.)
7. **Perpetual risk to the base. “Sovereign Land” rights are FOREVER. No protection against FUTURE owners / FUTURE businesses.** Neither the City nor the Base has any control as to who the current developers may sell to at any time in the future if and when this current casino proposal doesn’t work out and under “Sovereign Nation” total immunity, they could put any type of business they want at the front gate in the future with any type of owner the tribe prefers. The public was NEVER told any of these things. They were only told about the safeguards of the initial Municipal Services Agreement (MSA) in stage one. What happens when lands go into trust was never discussed. This puts the Naval base at perpetual risk.
8. **Serious future BRAC concerns.** A casino at our front gates and our base with a significant water shortage problem are two very serious conditions that could have a very detrimental impact on

future BRAC decisions. It is critical that this issue be addressed BEFORE these lands are taken into trust which could be decided upon at any time. (See testimonials from former Tech Directors.)

- 9. Deceitful and purposefully weak MSA leaves the Base and town defenseless.** Due to either gross negligence or intended deceit, the original MSA leaves us open to massive litigation. Five potential breaches of contract identified. Faulty language allows tribe to drill groundwater, as well as to connect to "alternative" forms of sewer (unsafe.) There is NO default of penalty clauses and the Arbitration clause is weak and doesn't address court costs or define court jurisdictions. Everything, including the annual payment in lieu of taxes, is hardly enforceable with NO guarantees. MSA wording allows the tribe to "cherry pick" ordinances it likes and ignore those it opposes.

Homeland Security Issues

Congress becoming Increasingly Concerned about Security Encroachment Nationwide

House Armed Services Committee is growing increasingly concerned about base security as it pertains to real estate immediately surrounding high-security DoD facilities. Presidential order blocks purchase of real estate near the Naval Weapons Systems Training Facility in Oregon.

"Buried deep within the markup of the 2015 defense authorization bill, released by House Armed Services Committee, former chairman Rep. Howard P. "Buck" McKeon, R-Calif., warning that foreign investors and businesses may be buying up tracts of land near military bases and training facilities to **collect information on U.S. military tactics and technologies.**

Foreign-controlled entities may be acquiring property near critical military assets, installations and training facilities with the intent to **monitor our activities,**" the markup of the bill states. "As a result of some recent transactions, entities controlled by foreign interests have acquired access to onshore and offshore properties within proximity of Department of Defense facilities, ranges and sensitive operating areas.

The concerns were supported by the most recent report by the Committee on Foreign Investments in the United States, known as CFIUS, is an interagency committee that reviews foreign investments for national security threats. According to the 2012 annual report by CFIUS, real estate transactions appeared for the first time since 2008.

Of the four transactions recorded by CFIUS in 2012, one led to a presidential order **blocking the purchase by Chinese nationals of four wind farms in the vicinity of restricted air space at a Naval Weapons Systems Training Facility in Oregon.**"

Legal experts interviewed acknowledged there has been an increase in the number of shadowy companies expressing interest in real estate for sale near U.S. military installations.

(<https://www.fedscoop.com/real-estate-becomes-national-security-issue/>)

U.S. military closes Nevada casino for base security purposes. A casino located just miles northwest of the Las Vegas Valley was acquired by the U.S. Government for \$11.45 million. Indian Springs Casino was a private business in the community of nearly 1,000 residents until it was forced to close in a sale that was years in the making. It originally opened in 1985. The former casino site and other businesses on the property will be razed. An expanded security buffer for Creech Air Force Base will be put in its place.

The *Las Vegas Review-Journal* first reported in 2011 that the Indian Springs Casino and related businesses may need to be acquired by the federal government to ensure safety for base operations related to Creech Air Force Base. Barracks and sensitive military operations are located in close proximity to the former casino property. **This was no longer acceptable under current security policy for military bases.**

(<https://www.4flush.com/casino-news/u-s-military-closes-nevada-casino-for-base-security-purposes/18086>)

Research indicates that the U.S. government also purchased properties adjacent to Fort Meade due to heightened security concerns. This was done for added protection of the base's

mission due to possible surveillance. According to one Washington Post article, the base has transformed into a “cyber city” and is being encroached on by nearby high-rise hotels, apartments etc. which was a serious concern. The base is now the headquarters of the newly formed U.S. Cyber Command in 2010 and now has more workers than the Pentagon. Locally, Mike Neel, former China Lake RF antenna specialist, has stated that in his professional opinion, this situation is not unlike our situation at China Lake due to an almost clear line of sight between the proposed casino project and the China Lake air field. Potential security threats are very real and probable especially considering the close proximity of the base to the proposed casino – less than 3,000 unobstructed feet away.

https://www.washingtonpost.com/business/capitalbusiness/fort-meade-transforming-from-army-base-to-cyber-city/2013/10/09/b319a3a0-2792-11e3-ad0d-b7c8d2a594b9_story.html?utm_term=.ecccdfbac769

Young sailors and families at risk. Gambling and pot at the front gates of the base?

DoD regulations clearly prohibit gambling. While on government-owned or leased property or on duty for the government, an employee shall not conduct or participate in any gambling activity, including conducting a lottery or pool, (or) participating in a game for money or property ...” (5 C.F.R. 735.201). The DoD has wholly adopted this rule. “A DoD employee shall not participate while on federally owned or leased property or while on duty (for military members, this means, in this context, present for duty) for the federal government in any gambling activity prohibited by 5 C.F.R.” 735.201. (Joint Ethics Reg — DoD 5500.7-R).
(www.katehorrell.com/whats-gambling-military-bases/)

Risks security clearances for sailors and all Navy. 60% of gamblers are financially challenged. People who get hurt the most in casinos are those who can afford it the least. Our fiscally challenged citizens also include our young sailors who are on very limited budgets. Statistics by casino marketers themselves show that that 60% of gamblers are customers who are financially challenged in some way. All lured by the illusion that they too might strike it big. And bankruptcies are a significant problem. In addition to financial devastation, bankruptcies can greatly interfere with security clearances for all our DoD employees, civilian and military.

(<http://stoppredatorygambling.org/wp-content/uploads/2012/12/The-Impact-of-Casino-Gambling-on-Personal-Bankruptcy-Filing-Rates.pdf>)

Gambling -- easy access has proven to increase the number of problem gamblers, especially sailors. These troops, they’re Type A personalities,” he said. “They’re naturally drawn to risk and adventure, and that’s the group most vulnerable to gambling problems. We’ve seen civilian studies where populations with **easy access to slot machines have nearly doubled the number of problem gamblers,**” he said. **The slots are easy and highly addictive.** If they got rid of the machines, there would still be some with serious problems who go off base or get involved in back-room poker games. **But just having them there, you get some people addicted who never would have had a problem otherwise.**

(<http://www.katehorrell.com/whats-gambling-military-bases/>)

Marijuana sales at the front gate of our proud Navy base?

American Indian tribes ignoring state-regulated system. Recreational marijuana is against federal law, DoD regulations, and against Ridgecrest municipal code.

(Note: For most recent update on this topic, see “Latest Casino Update”)

Marijuana sales near the front gates poses a significant threat to young sailors. One pot brownie (failed drug test) or one bad night gambling (bad credit scores risk security clearances) could wreck the entire military career of young sailors. Recreational marijuana is against federal law, against DoD regulations, and against local ordinances. And the tribe is now selling pot in Death Valley and will probably be selling at the front gates of the base next if this goes through.

DoD has a zero-tolerance policy. Although many states have now legalized marijuana, including California via proposition 64, the DoD still maintains a zero-tolerance position that supersedes the legislative initiatives of the state. Drug use undermines combat and mission readiness and is incompatible with the maintenance of high standards of performance and military discipline. According to the Uniform Code of Military Justice, Article 112a, any DoD member is subject to this chapter and if found using, possessing, manufacturing, distributing drugs or introducing into an installation, vehicle or aircraft shall be punished as a court-martial may direct. Marijuana is a Schedule I drug, meaning it is illegal for military members to use or possess it in any form and is in violation of UCMJ Article 112a, which applies to all military members on and off duty.

[\(https://www.edwards.af.mil/News/Article/1405525/marijuana-use-still-illegal-for-dod-members-despite-prop-64/\)](https://www.edwards.af.mil/News/Article/1405525/marijuana-use-still-illegal-for-dod-members-despite-prop-64/)

Ridgecrest Municipal Code prohibits commercial cannabis activities. Ordinance 4-24.101 and 102 states that no permit or license shall be issued for such activity. However, there are provisions for inpatient medical use inside a hospital or approved medical facility.

Tribal attorneys “claim” that tribes would be “state regulated” but research proves otherwise. In a January 9, 2018 Bakersfield California article, the article discusses how the tribes are floating the idea of setting up rival farms and sales shops on reservations after concluding that rules requiring them to be licensed by the state would strip them of authority on their own lands and their right to self-governance. And according to tribal attorneys, “for tribes to participate in the state-run market, they have to give up their rights to act as governments, with regard to cannabis,” said a tribal attorney for the Timbisha Shoshone tribe (**handling the case with Ridgecrest.**) Under regulations issued last year, California would retain full control over licensing. Tribes would have to follow state rules, including “submission to all enforcement,” to obtain a license to grow or sell marijuana.

However, despite what any tribal attorneys say, after long-running negotiations between tribes and state officials failed to produce an agreement, the California **Native American Cannabis Association warned state officials that tribes “may engage in commercial activities through our own inherent sovereign authority.”** Nevada-based GB Sciences, Inc. announced last year that it would build and manage a commercial cannabis company on tribal lands, nurturing plants, manufacturing products and distributing them across the state. The tribe, the Los Coyotes Band of Cahuilla and Cupeno Indians would get an ownership stake, jobs and 40 percent of the profits. GB Sciences would get income for its marijuana research and a foothold in the **LARGEST LEGAL POT MARKET IN THE U.S.**

NAWCWD Beware!

<http://bakersfieldnow.com/news/local/tribes-cut-out-of-california-pot-market-might-grow-their-own>)

How Native Americans are fighting for their rights in the cannabis industry. The conditions stipulated in that memo have since been revoked by Attorney General Jeff Sessions, and Native cannabis entrepreneurs have found themselves with a unique challenge. Although many states, like Colorado and California, have passed laws for recreational marijuana use, federal regulations still outlaw it. Which is trouble, because it's the latter that tribes must comply with, says Anthony Rivera. He's the CEO of CannaNative, a company that is helping Native American tribes develop economic and regulatory policies for localized cannabis industries.

www.good.is/articles/native-american-marijuana-cannabis-federal-regulations)

Chief Gholson recently indicates at March 7 Public Council Meeting, that the tribe should be able to profit from marijuana. At the meeting, the Chief stated, “Why should other people be left out because of their ethnicity? Unacceptable. Our people are also citizens of California just like everybody else. We should be able to take advantage of everything just like everybody else” ...”and I will tell you, if there is any other industry that we could get into that would produce those returns, we would.”

(Video transcript from March 7, 2018 meeting.)

The Shingle Springs Band took 62 acres into trust for a medicinal clinic, and then immediately re-purposed it as a shooting range within a RESIDENTIAL AREA. Therefore, a marijuana field at the front gate of the base is a technical possibility if these lands go into trust. There are no state restrictions imposed on the shooting range. Because of the nature of tribal sovereignty there is little

recourse for resolving disputes that may occur, such as blocking access to private properties, well water interference, or incompatible developments such as an outdoor gun range or a race track within 1000 feet of elementary schools, churches, homes or watershed basins. Anything goes.

Urgency Regarding Marijuana Issue. Currently, the Timbisha Shoshone Tribe, according to the Tribal newsletter, is now in the pot business and they have built a 50,000 SF facility in Death Valley Junction and dug a well to harvest brackish water despite the current draught. The Tribe has also set up a “health” co-op in Bishop for medicinal sales. Despite a local ordinance that Ridgecrest just enacted, there is little doubt that if the casino were to go through, then marijuana would be a definitive part of the Tribe’s business.

There is no mention of marijuana in the original MSA. Our City MSA should have included language strongly prohibiting the cultivation or sale of marijuana.

Examples:

Since 2015 in California alone there have been more than 400 Deed of Trust applications totaling more than 30,000 acres of land. The Shingle Springs Band took 62 acres into trust for a medicinal clinic, and then immediately re-purposed it as a shooting range within a RESIDENTIAL AREA. There are no state restrictions imposed on the shooting range. Because of the nature of tribal sovereignty there is little recourse for resolving disputes that may occur, such as blocking access to private properties, well water interference, or incompatible developments such as an outdoor gun range or race track within 1000 feet of elementary schools, churches, homes or watershed basins. **Therefore, a marijuana field at the front gate of the base is a technical possibility if these lands go into trust.**

Threatens cultivation and sales of a federally illegal drug – marijuana. If the casino fails, here’s the next cash cow to damage communities.

To add insult to injury, the U.S. Justice Department declared that Sovereign Nations would not be prosecuted for growing pot on tribal lands in states that had already legalized the drug. In the past three weeks the Timbisha Tribal newsletter now clearly states that the tribe is now into the pot business. Naturally. And they have built a 50,000 SF facility in Death Valley Junction and they dug a well to harvest brackish water to accommodate the massive amount of water required for commercial grow, **despite our current draught.** This is critical to note because it has been determined that the water under casino lands in Ridgecrest has also been determined to be brackish. **Therefore, if it works in Death Valley, drilling can certainly work here.** But the Chief wanted to magnanimously “assure us” that they had no “plans” for pot in Ridgecrest. (But, the tribe also “assured us” they would do a full NEPA as well. And they reneged.)

<http://timbisha.com/images/Documents/Newsletters/91517ThirdQuarterTribalNewsletter.pdf>

Examples:

The Timbisha has quickly gotten into the marijuana cultivation business and set up a “health” co-op in Bishop for medicinal sales of pot. Ridgecrest will no doubt be next.

<http://timbisha.com/index.php/tcda>

While the casinos tout all the fabulous success – many are failing miserably and converting to marijuana cultivation and sales to save the day. Two casinos have failed in the San Diego area in the last four years. In 2007, when the Santa Ysabel Resort and Casino opened overlooking Lake Henshaw, the tribe envisioned building a hotel to serve the hordes of gamblers who would surely flock there. That never happened – there were too many other casinos closer to San Diego and major corridors like Interstate 15. (Similar to Ridgecrest. We have smaller casinos north/south/east/and west of us. And they are all on the highway. Our casino would be **miles away.**) The Lipay Nation of Santa Ysabel shut the doors on its 35,000 SF facility in 2014 buried under \$50 million in debt has now transformed the vacant space into a high-tech medical marijuana operation and is now leasing part of the property to growers who cultivate and distribute the drug to dispensaries throughout the state.

www.sandiegouniontribune.com/communities/north-county/sd-no-ysabel-marijuana-20170502-story.html

Examples:

Where there is heavy cash, there is heavy maneuvering. The tribes can say they aren't growing marijuana, but the article below explains how this is being cleverly done via massive greenhouses. Schemes to get around legal terminology abound. Leasing the land out, shipping product off the land for "medical use" etc. No end to this.

(<http://www.thecannabist.co/2017/10/02/american-indian-tribes-marijuana-industry/89126/>)

At the Santa Ysabel Indian Reservation law enforcement officers raided a gigantic marijuana growing operations seizing 25,000 plants with an estimated street value of up to \$100 million dollars. The site was so remote that helicopters had to tote the torn-out plants. The tribe claimed they were not involved.

(www.cbs8.com/story/13038998/huge-pot-bust-at-santa-ysabel-indian-reservation)

Simply stated, Indian casinos have reached their breaking point regarding massive over-control. One article in the Sacramento Bee fights back.

(www.sacbee.com/opinion/editorials/article76599367.html 13)

Crime rate will significantly increase at the front gates of our military base as well as for the entire military community and the city of Ridgecrest due to the proposed casino.

Crime rates soar. By the fifth year after introduction, robbery, aggravated assaults, auto theft, burglary, larceny, rape, and murder were 136%, 91%, 78%, 50%, 38%, 21% and 12% higher respectively. In one 2005 study of county-by county data from 1977 to 1992, researchers found that significant increases in crime frequently followed the introduction of a casino, with rates continuing to climb every five years afterward. Since this study was conducted, numerous nationwide studies continue to show similar results.

(<http://nemasket.net/miscdocs/Grinols/CasinosCrimeCommunityCosts.pdf>)

Ridgecrest has no jail, nor major mental health facilities. In addition, it could cost half the amount Ridgecrest gains by transporting drunks back and forth to Bakersfield because we don't even have a jail any more. So, in the end, we will spend half of the money on additional costs, and the other half in legal fees and that's IF the casino even pays the City what they promised. Even the casino statistics show that the crime rate goes up, gambling and addiction rates go up, and to top it all off, we have no jail and no major mental health or addiction facilities to handle ANY of this.

Hostile tribal takeovers or frequent tribal leadership fights at front gate? Tribal Chairman Joe Kennedy and the Timbisha Shoshone Tribe have filed multiple suits against the U.S. Dept. of the Interior, BIA and Gholson for the illegitimate takeover of the tribe. Newly organized Tribes, such as Timbisha Shoshone, have a greater propensity for internal membership and leadership disputes. The News Review, January 12, 2018, reports that, "Establishing tribal use of land is a multi-year process that involves numerous agencies, and the local land sale to the Timbisha Shoshone Tribe is no different. But to further complicate matters, **Tribal Chairman George Gholson, who has visited Ridgecrest numerous times to advocate for the casino, is the subject of multiple lawsuits between the tribe and the Bureau of Indian Affairs. According to the Indian Law Resource Center, Gholson is a non-tribe member who was appointed by the BIA in 2011.**"

Timbisha Shoshone has already had an internal coop that while currently resolved last year in the 9th circuit, it doesn't mean this will not occur again during tribal elections. For example, the Chukchansi Tribe in Madera County had a hostile takeover of its casino causing the state to shutter the casino for more than a year until a settlement was worked out and perpetrators had processed through the courts. Likewise, Paskenta experienced a shut down due to warring membership factions fighting for control of the tribal leadership and casino. Embezzlement charges were levied on former leaders.

(<http://www.news-ridgecrest.com/news/story.pl?id=0000007909>)

Ridgecrest casino developer's credibility in question. In addition to the casino proposal, developer is now offering 400% returns via an online investment scheme? Another disturbing issue is the conduct of this developer. Mr. White, along with another casino developer put out "An Investment Primer for Financing Indian Casinos" (©2016).

(<https://www.slideshare.net/THEgarygreen/investment-primer-for-financing-indian-casinos>)

In this document, they describe the means and methods by which they create a potential 400% return for the investor. Through a combination of creative finance packaging, interest charges, taking a percentage of winnings, double-up by leasing machines for a percentage of winnings, fee income, management contracts, front-load financing, etc., the investors have managed to design a model that is highly questionable.

(This section concludes the LOCAL DoD / Ridgecrest casino crime related data. On the next pages, California casino crime increases are discussed at length, as well as many cases around the country.)

California Casino Crime Statistics and Stories from Around the Country

When examining all states, there is a significant increase in crime both one and two years after casinos open. There is also an increase in crime 4 years after, which is significant at the 10% level. According to the Impact of legalized casino gambling on crime, IZA DP No. 7299, March 2013, the article states, "Casinos lead to a plethora of social ills, including increased substance abuse, mental illness and suicide, violent crime, auto theft and larceny, and bankruptcy. The latter three all increased by 10% in communities that allowed gambling." Other works back up the crime finding. The Baylor's Earl Grinols, University of Georgia's David Mustard, and the University of Illinois Cynthia Dilley found that 8 percent of crime in counties with casinos was attributable to their presence, a crime increase that cost residents, on average, \$65 per year.

Virtually every casino community has now experienced increases in crime ranging from shoot-outs, murder, theft, robbery, embezzlement, gang activity, substance abuse and drug trafficking, drunk driving, auto accidents and fatalities, gambling addictions, credit problems and bankruptcies, family neglect, suicides and the list goes on. One article states, "The amount of money that trickles down into the local economy from the salaries of employees and the costs of goods and services is nowhere near enough to make up for lost tax revenues or to pay the tribe's fair share of the costs to the community for increased demands on public services and infrastructure....."

Negative impacts show a 10% increase in auto thefts, larceny, violent crime, and bankruptcy in counties four years after a casino has opened. Bankruptcies increase within a 50-mile radius of a new casino.

(www.nber.org/digest/feb03/w9198.html)

Casinos are crime magnets with two types of illegal activity: internal corruption that includes money laundering, loan sharking, mob influence, and street crime. It is the increase in crime directly spilling from casino doors that has the most immediate effect on surrounding communities. For nearby neighborhoods, these include DUI-related accidents, home robberies and mail theft.

(www.forbes.com/sites/realspin/2013/09/25/as-native-american-casinos-proliferate-the-social-costs-of-the-gambling-boom-are-ignored/#523bbf867997)

Police case logs nationwide show that Casinos import crime into communities.

Examples.

Gun activities and bomb threats are becoming more common nationwide.

(www.mlive.com/news/saginaw/index.ssf/2016/04/2500_evacuated_from_soaring_ea.html)

(www.mymotherlode.com/news/local/253254/black-oak-casino-evacuated.html)

(www.indianz.com/IndianGaming/2007/002509.asp)

The article below describes one horrendous situation involving the Chukchansi tribe in Central, California. The Las Vegas style heist involved SUVs, body guards and guns.

<http://kvpr.org/post/money-greed-and-power-keep-chukchansi-casino-closed-tribe-still-divided>

California. February 2018. Man killed by security guard at Chumash Casino, Santa Ynez Valley.

(<https://mail.google.com/mail/u/0/#search/cherylschmit%40att.net/161b9ee0f11c0bce>)

California. San Manuel Indian Bingo and Casino. The casino will now have more police patrols. Neighbors have complained about drug activity, prostitution, reckless driving, and nuisances like casino patrons relieving themselves in front yards.

(Casino area gets more cops/WW.SBSUN.COM/5.4.04)

Northern California—Yurok Indian Tribe, and Paskenta Band of Nomlaki Indians, involved in major cases embezzlement. Stormed BIA office in Sacramento.

- Roland Leroy Raymond, former forestry director for the Yurok Indian Tribe of Northern California, pleaded guilty in May 2013 to embezzling \$850,000 from a BIA grant intended for environmental uses under the Endangered Species Act and also admitted to conspiring with at least one person at a Eureka consulting firm. Raymond was sentenced the following January to three years in prison and ordered to make full restitution.
- Various members of Northern California's Paskenta Band of Nomlaki Indians in June 2014 stormed the BIA regional office in Sacramento to demand the arrest of John Crosby and Leslie Lohse, respectively, the Paskenta economic development officer and treasurer, for embezzling about \$10 million in tribal funds. They also demanded the arrest of two tribal council members for allegedly launching a cyber-attack on the tribe's Rolling Hills Casino. Crosby and Lohse countered that their accusers were covering their own tracks for stealing tribal records and planning a military-style takeover of the facility. In January 2017, a grand jury indicted Crosby, Lohse and Crosby's mother, Ines Crosby, for embezzling at least \$6 million. Two years earlier, the tribe [filed suit in federal court](#) against the trio and another individual for stealing more than \$20 million.

(<http://nlpc.org/2018/03/14/can-trump-drain-swamp-bureau-indian-affairs/>)

Las Vegas / Laughlin Nevada. Only one of the Hells Angels indicted this week is from Southern Nevada, but authorities estimate the number of motorcycle gang members engaged in criminal activity in Las Vegas has skyrocketed from about 100 three years ago to nearly 600 today. Three biker gang members were killed when members of the Hells Angels and the Mongols shot, stabbed and beat each other on the floor of Harrah's Laughlin during the annual River Run event. The motorcycle gangs known to local investigators are involved in the crimes associated with motorcycle gangs, such as vehicle thefts.

(Motorcycle gang activity in Las Vegas rising, police say/Las Vegas Review-Journal/ 12.5.03)

When casinos started booming in Wisconsin, the Wisconsin Policy Research Institute commissioned a three-part study of casino related crime in the Badger State that produced frightening results. 5,300 MORE major crimes! The expert panel (an economist, a statistician and an expert in gaming administration) found, "existence of a casino within the boundaries of a county led to an increase in county-wide crime rate (and) a strong spillover effect with counties adjacent experiencing higher crime rates." **Their data showed a 5,300-annual increase of "major crimes" and 17,100 "minor crimes" with an associated cost in 2001 dollars of \$51 million for Wisconsin taxpayers.**

www.forbes.com/sites/realspin/2013/09/25/as-native-american-casinos-proliferate-the-social-costs-of-the-gambling-boom-are-ignored/#523bbf867997)

Due to “sovereign nation” immunity, most of the “incidents” end up not being reported by Tribal Authorities. In a drive-by motorcycle purse snatching in the parking lot of a San Bernardino casino, the victim reported the incident to the casino security guards, expecting it to be reported to the Sheriff’s Department. They found out later, when they made their insurance claim for the damage to their car, the incident was never reported to the police. This is but another of the many negative impacts of Indian casinos....”

www.nber.org/digest/feb03/w9198.html) (The National Bureau of Economic Research, The Social and Economic Impact of Native American Casinos, Working Paper no. 9198)

According to reliable sources, casinos are crime magnets with two types of illegal activity: Internal corruption that includes money laundering, loan sharking and mob influence, and street crime.

- It is the increase in crime directly spilling from casino doors that has the most immediate effect on surrounding communities. For nearby neighborhoods, these include DUI-related accidents, home robberies and mail theft.
- According to a 2012 study of casino crime by University of Maryland researchers, there is a 10% increase in substance abuse, suicide, violent crime, theft and bankruptcy when a new casino opens in town. Other studies found 8-9% crime increase costing nearly \$70 per year for every person living nearby. After Atlantic City’s rapid casino growth in the 1980s, crime increased by 100% in a 30-mile radius surrounding the area.

Casinos aren’t even a particularly good source of revenue. Kearney notes that several studies have found that Indian casinos cannibalize business at nearby restaurants and bars and in doing so actually reduce state tax revenue. This was the findings reported by the Washington Post, October 30, 2012. The article is entitled, “Studies, Casinos bring jobs but also crime, bankruptcy, and even suicide.

www.washingtonpost.com/news/wonk/wp/2012/10/30/studies-casinos-bring-jobs-but-also-crime-bankruptcy-and-even-suicide/)

Other common, non-desirable, casino related enterprises, that plague many communities around the country – strip clubs, prostitution and predatory lending. While there has been little discussion to date regarding these two issues, it is important for citizens and community leaders to carefully research the full background of **ANY** business or **industry** wishing to locate at the front gate of our proud Navy base and play a significant role in our community into the distant future. It is critical that decision makers take note of the fact that there are many very undesirable businesses that could plague a city, either now, **or in the distant future**, that are frequently associated with the gambling industry. In any other business, the city would have significant law enforcement safeguards. With “sovereign nation” entities, the Tribe is in-charge and “sovereign nation” is forever.

Pay-Day Loans – The alliance between payday lenders and tribes. This Article discusses the most recent incarnation of payday lending regulation-avoidance, which pits tribal sovereign immunity against meaningful consumer protection laws. Under this model, known among internet payday lenders as the “tribal sovereignty” model, existing payday lenders team with Indian tribes to gain the benefit of tribal sovereign immunity and avoid state usury laws, small loan regulations, and payday loan laws. This practice could conceivably weaken both tribal sovereignty and consumer protection in one fell swoop.

<https://scholarlycommons.law.wlu.edu/cqi/viewcontent.cgi?article=4276&context=wlulr>)

Prostitution, Strip Clubs, and Gambling. Casino Watch. August 2005.

http://www.casinowatch.org/sex_prostitution/prostitution_8_25_05.html)

- **Las Vegas.** The escort-service promoters work all night, handing out playing card-sized photos of women who plan, no doubt, to settle down someday but for now count their German shepherds as

their best friends. Prostitution is illegal in the city, though one senses that the crime isn't often prosecuted. What happens here, stays here. Tell it to the judge.

(Vegas Ups the Ante/TRAVEL AND LEISURE/4.04)

- **Las Vegas.** Martin's streetwalker sting is just the beginning, according to members of the Downtown God Squads. When police do catch someone on a minor drug or prostitution charge and haul them to jail, it's usually a "walk through" for the criminal, meaning they'll be back on East Fremont before the cop's shift is over, Fricker said. "There's no deterrent."

(DOWNTOWN DECEPTION: God Squads aim to clean up Fremont/Las Vegas Review-Journal/11.16.03)

- **Las Vegas.** Closer to home, Las Vegas Mayor Oscar Goodman is wondering if the city should legalize the world's oldest profession, perhaps turning East Fremont Street in a "Little Amsterdam." Goodman, who long has personally supported the notion of legalizing both marijuana and prostitution....

(Legalized prostitution: Vegas brothels suggested/Las Vegas Review-Journal/ 10.24.03)

- **Las Vegas.** The poll results come a week after Mayor Oscar Goodman floated the notion of legal brothels in response to a question on a local talk radio show, and in subsequent media interviews. Later, at a news conference, he (mayor) suggested that the city should legalize prostitution on a portion of East Fremont Street. "There's probably 3,000 pimps in Clark County getting rich on the girls' efforts." He said "everybody knows" prostitution is rampant in Las Vegas, despite the fact it's against the law.

(Majority opposes legalizing prostitution in Las Vegas/Las Vegas Review-Journal/ 10.30.03)

- **Nevada.** Bernalillo County Sheriff's deputies say two young women (18 and 19) are lucky to be alive after they escaped from Las Vegas, Nev., where they were tricked into prostitution.

(Teenagers escape forced prostitution/WWW.KOBTV.COM/8.7.03)

- **Pahrump, NV. Strip Clubs.** A publicly traded Australian company has established a "handshake agreement" with a Nye County brothel owner to build a casino and strip club at a site north of Pahrump in Southern Nevada... casino and topless dancing club at the site of the two brothels. (S. Nevada brothel eyes casino deal/LAS VEGAS SUN/8.14.03)

- **Atlantic City.** A two-week sweep of Atlantic City casinos resulted in the arrests of 136 people on prostitution-related charges last month... Of the 133-people arrested for prostitution, 78 were captured inside casinos.

(136 arrested in sweep in and around casinos/Las Vegas Sun/8.12.05)

- **Atlantic City.** State Police also said the investigation determined that members of the Bloods street gang were running prostitutes in casinos and on the streets surrounding them. (*Prostitution sweep in and around Atlantic City casinos nets 136 arrests/*WWW.NEWSDAY.COM/8.11.05)

- **Atlantic City.** A former casino worker has pleaded guilty to being part of a prostitution ring that got women from brothels for casino patrons. Chau was part of a prostitution ring that recruited young Asian women and sold their services to casino high rollers.

(Casino Worker Pleads Guilty in Hooker Ring/1010owins.com/1.22.05)

- **Atlantic City. Prostitution, Gambling and Pot – Birds of a feather.** Drugs and prostitution—always birds of a feather—have turned Atlantic City, the gambling capital of the East Coast, into the scene of an AIDS epidemic and the backdrop for a public health emergency. City health officials estimate that 1 in 40 residents are infected with HIV. Many are prostitutes who turn tricks to earn money for drugs.

(Where gambling with HIV is a public health crisis/WWW.IHT.COM/7.21.04)

- **New Jersey.** Dinh admitted he operated the prostitution ring through a Philadelphia brothel and a service to the casinos that he operated from his home, prosecutors said. He also admitted he

contacted casino employees to have them solicit customers on behalf of the ring.
(Two Plead Guilty in Casino Prostitution Ring/WWW.WNBC.COM/ 8.6.04)

- **New Jersey.** A bookie sent prostitutes to the homes of gamblers in four states and let them collect their winnings in sex...The arrangements were made public Thursday as police charged Teodoro with promoting gambling, prostitution and underage prostitution.
(Gamblers got sex, police say/KANSAS CITY STAR/7.17.04 and Man charged with paying off bets using prostitutes/www.newsday.com/7.16.04)
- **Indiana.** In Indiana, 83 State Police troopers assigned to the state's 10 casinos are 83 officers too many working gaming's potentially dark side of the street, for starters. In fact, according to Major Mark Mason, head of the gaming division for the State Police, "There are all types of crimes on these boats. We have encountered counterfeit currencies, batteries, prostitution, robberies, sexual battery and lots of thefts that sometimes run into the millions."
(Indianapolis Star/3.2.03)
- **Canada.** In Windsor, it became known in 1996 that dozens of employees at the local casino had criminal records, and that some had connections to organized crime. Newspaper ads for escort services – many of which are run by gangs—tripled during the casinos first year of operation. In the words of Windsor's former police chief, the casino is "a breeding ground for prostitution."
(Heads they win, tails we lose/NATIONAL POST ONLINE/3.22.01)
- **Results indicate that there is a strong link between the presence of a casino in a county and the number of alcohol-related fatal traffic accidents.**
(www.sciencedirect.com/science/article/abs/pii/S0167629610001013)

Local DoD Anti-Casino Testimonials

The majority of citizens on base and in the community oppose the off-reservation casino.

Based on research for this report, in discussing the issue informally, after working hours, with dozens of employees, the majority are not in favor of the casino, and hardly anyone thinks it makes sense at the front gate. Location was one of the main objections discussed and the main objection received via CASINO surveys in town more than a year ago.

Disclaimer: The views expressed by individuals below are personal opinions as Ridgcrest citizens, and do not in any way reflect any opinion or position of NAWCWD.

DoD, NAWCWD, NAWS and County Leadership Testimonials

CAPT Mark Storch, USN (Ret.) Former Commander, NAWCWD, and Commanding Officer, NAWS China Lake. "The Navy at China Lake doesn't need a casino immediately outside the front gate. Nothing says "we don't care" from the community to future BRAC Commissioners, for example, regarding the community's view of the Navy, than a casino. It is cynical on the community's part: it is within walking distance for any E-1--arguably our newest and lowest paid among us--who have few transportation choices and little pay, but who can get their gambling and alcohol addiction started thanks to this. I don't care for a casino anywhere, but surely not at the front gate. It is nothing less than preying on our youngsters. It sends a negative message, when there is so, so much outstanding value from China Lake for the Navy and the Nation."

Paul Valovich and other local and military leaders express concerns about casino. According to a News Review article, Paul Valovich is a Vietnam veteran, has a master's degree in aeronautical engineering and he has commanded both at Point Mugu and China Lake. And in a DI article dated April 22, 2016 entitled "Public Pans Casino Plans" with a sub-title of "Increased Crime, bankruptcies, gambling addictions, corrupting schoolchildren, and **interfering with the mission of the base**" Valovich spoke up at a public meeting, "how could you spring this on this community with such short notice? But he was not alone. The public turned out in droves to attend the City Council meeting. And most of them said, "NO!" "In all, roughly 30 people spoke up, mostly opposed to the idea." Tim Fox, speaking for the Navy, said, "there are a few military compatibility concerns." "I am trying to recover

from shock and being sick. I can't believe this has been sprung on us," Pat Farris said. "We have enough of a crisis going on about our water and to throw us into another crisis decision. I am appalled. I am sorry, but I am appalled. People chose to live here because they say it is a great place to raise a family. Well they won't be saying this after this comes."

(<http://www.ridgecrestca.com/article/20160422/NEWS/160429884>)

VADM Dennis V. McGinn, USN (RET), assistant secretary of the Navy for energy, installations, and environment, strongly emphasized that the China Lake Community needs to address the water shortfall which jeopardizes the long-term sustainability of the installation. This is a condensed article by Dan Cohen, in the Association of Defense Communities, April 26, 2015.

"Naval Air Weapons Station China Lake is a valuable asset for the Navy that likely wouldn't be threatened by a prospective BRAC round, the Navy's top installations official told the China Lake Alliance during a luncheon....At the same time, the aquifer that China Lake relies on is in overdraft, **jeopardizing the long-term sustainability of the installation...Even if there were not China Lake and the NAWC, this would be an unsustainable situation,**" he said, reported the Ridgecrest Daily Independent. "If you're pulling more out of the aquifer than is being replenished, it's going to go away, and there will be economic impacts of that."

McGinn's comments were hardly surprising **for the alliance, which has made ensuring the long-term sustainability of the aquifer that supports the IWW its highest priority.** The alliance, the community-military support group for the installation, has been working with officials from Kern County and the Navy on a solution, which is expected to take several years to identify.

(<https://www.defensecommunities.org/blog/headlines/china-lake-community-needs-to-address-water-shortfall-mcginn-says/>)

David Shipley, NAWCWD Security Officer. I moved here to Ridgecrest 35 years ago. I moved here not because of a job, but because I visited the area and said, "This is a really neat place to raise a family". And it was. In my career, I've had the unfortunate circumstance multiple times to sit across the table from someone who is being told they can no longer work due to financial indebtedness. Which means that they no longer are suitable for a government position because of security clearance requirements. I've watched grown men cry as we tell them that they can no longer have this employment, and they won't be able be employable with our defense contractor teams either. I believe a casino would increase this opportunity. My concern is the impact to the lives of the people in our community. I know that being fiscally advantageous shouldn't be the sole reason that we decide on this issue. So, I ask that you make the decision that is best for us, and disapprove this.

Dave Shipley (Statement made at May 11, 2016 Council meeting. Video time stamp: 1:27:05 – 1:29:50.)

Former Base Commander. I would have a major concern about a casino at the front gate of the base at China Lake, one of the nation's premiere Navy laboratories. First, the critical water situation must be addressed. The current shortages and increased demand are serious issues and lately there has been significant "sky is falling" messaging. Also, I would be concerned about our young sailors having a casino just outside the front gate. It is a known fact that casinos pose a significant gambling risk which could affect sailor's security clearances and financial stability. **I also have concerns regarding the "sovereign nation" designation where our base would have no jurisdiction over what the Tribe chooses to do, regardless of what the Tribal leaders say.** And finally, there is precedence for the base Command to become involved with controversial issues. Years ago, I was against the prison coming in because I took a position in support of military families. I also took a position on a controversial school bond issue. A letter was written to the Navy objecting to my involvement, but my position was upheld because employee and family safety and security falls under Command authority and responsibility.

Former Base Commander (Phone interview. Unnamed at this time, pending a possible news article in the near future.)

Sterling Haaland, Former Executive Director, NWC, warns Ridgecrest that “the casino here is a bad idea and should never be implemented. It would be the beginning of a long-term decline in the operation of NAWS, and the city of Ridgecrest would not be a quality place to live.”

Mr. Haaland now lives in Montana and has significant experience and knowledge of Montana water rights especially with two of the tribes in Montana and their ongoing “sovereign nation” battle to gain water rights. To start understanding where Montana is on water rights, Mr. Haaland recommends citizens Google (1) Blackfeet water rights compact (2) Confederated Salish and Kootenai water compact.

Sterling Haaland official statement to Ridgecrest is as follows:

“I lived in Ridgecrest for 30 years and was the Executive Director of NAWCWD from 1993 to 1998. In my opinion a casino located by the front gate of the Base is the beginning of a long-term decline in the operation of the NAWS and the quality of the products produced by the NAWCWD. This in turn means that the city of Ridgecrest will not be a quality place to live.

I have lived in Montana for the last 20 years and have observed what has happened with two Native American tribes (Blackfeet and Confederated Salish and Kootenai) claiming water rights throughout the state. The Blackfeet Nation water compact is based on an 1855 treaty between the Blackfeet and the U.S. government. It took the Blackfeet nation 38 years to gain control of all water that comes off the eastern front of the Rocky Mountains and flows through the reservation plus \$470M of federal funds to implement the plan.

The city of Ridgecrest had better be sure what the long-term water rights of the Timbisha Shoshone nation has over the IWW water flowing from the eastern front of the Southern Sierras. **This could drastically affect the operation of the base.**

In 2015 the Montana state government approved the Confederated Salish and Kootenai water compact. It was sent to D.C. for approval by Congress. What it does? The 1,400-page document that took decades of negotiations **transferred the water rights away from off reservation irrigators to the tribe. These rights were based on a 1885 treaty. The city of Ridgecrest better make sure there isn't a treaty between the Timbisha Shoshone nation and the U.S. government.**

A casino is a bad idea that should never be implemented. The economic value of a casino doesn't compare to the economic value the base will bring to Ridgecrest in the future. Keep the NAWS and NAWCWD strong! Support our warriors and God bless the U.S.A.

Sheriff Donny Youngblood -- Kern County. Ridgecrest is within my district and it has a reputation of being a “model community.” People don't believe me when I tell them Ridgecrest has little to no graffiti, or gangs, and they have low crime. I love to come to Ridgecrest. Formally, I'm not taking a position one way or the other on the casino at this time, but I will say that if a casino comes in you will have increased arrests including drunk driving incidents. It will bring prostitutes, tattoo parlors and pot shops. When these businesses settle in the community, neighboring businesses are not happy because they will have an increased risk for crime, and at a time when you have no jail. Also, there will be more demand for mental health care and your town does not have enough specialized care in these areas.