

Northwest Minnesota tribe hopes to recoup losses on Star Lake Casino project

Written by Administrator

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The Other Government Project, an investigatory committee set up by the White Earth Tribal Council, recommended the possible insurance claim as part of a plan of action to be considered in regards to the Star Lake Casino project. In order to make the project a go, the tribal attorney earlier agreed to waive the tribe's sovereign immunity from liability.

But was that action legitimate and binding? The Other Government Project recommends that the tribe conduct an "internal exploration" to determine if a valid waiver of sovereign immunity occurred, and to determine if funds spent on the Star Lake Casino project "were in accordance with the Revised Constitution and Bylaws of the Minnesota Chippewa Tribe."

If tribal officials made mistakes or major omissions, the band could have a case for an insurance claim.

White Earth is covered for up to \$1 million for Tribal Officials Errors and Omissions Liability, the Tribal Council said in a news release.

Bemidji attorney Mike Garbow, who is leading the investigation into spending for the Star Lake Casino, reported that the White Earth Band spent \$3,381,600 on land purchases and realtor commissions, \$101,207.43 in fees to Valerie Red-Horse Financial Services and \$1.6 million on an electrical substation and transmission lines to serve the Star Lake Casino.

Garbow faulted White Earth tribal employees "who were directly involved in the vast majority of transactions that took place regarding the Star Lake Casino Project" for inadequate cooperation with his probe. He declined to name the employees in question.

He also faulted the proposed financing of the Star Lake Casino project, which he said appears to have occurred without due consideration of the financial obligations White Earth would have had to incur to go forward with the project.

And he criticized the way the band went about acquiring land for the Star Lake project.

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He said the White Earth Tribal Attorney created the documents for the formation of the Central Minnesota Land Company, which provided for the expenditure of millions of dollars of White Earth Band money for property that was held in the name of the company.

“The purchased property was not signed over to the White Earth Band of Ojibwe until three years after the purchase,” Garbow said. “The transfer of title in August of 2018 was handled by the White Earth Tribal Attorney and signed off by Bill Marsh, who was no longer an employee of the Band since May 2018.”

No criminal wrongdoing is being alleged against the tribal employees, but Garbow said the process appears to have put the band at risk of paying for the property and not having legal title to it.

The Star Lake project called for construction of a 30,000-square-foot casino with 180 hotel rooms, convention space, a 15-stall RV park, three restaurants and other amenities on land on Star Lake, which sits between Dent and Maplewood State Park in central Minnesota. The casino project would have sat on 15 acres of trust land and another 225 acres of “fee land” purchased by the tribe.

After the balance of power shifted on the Tribal Council in the last election, the council voted to end the Star Lake Casino project.

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