

**CONGRESS, FROM PAGE 1: LEGISLATORS HAVE INVESTIGATIVE POWERS, BUT THROUGH SPECIFIC CHANNELS**

verified during the month of April and that the unverified records had been sent to storage in Hominy," Supernaw wrote. "On July 23, three other members of Congress and myself, went down to the storage pen and asked if we could enter and check some of the boxes."

He said that they found accounts from April that showed a cash count had not been done that month for the Bartlesville casino.

"We believed, and still believe, that examining the records is within our oversight powers," Supernaw wrote.

"The Osage Nation Congress had found out only by happenstance that: 'The Nation's gaming assets are in jeopardy because the Gaming Enterprise's financial records are incomplete, inaccurate, and unreliable,' (and) that recent cash distributions to the Nation are only an estimate based on unverified records...."

**Gaming Chief: Supernaw manipulated by accountant**

Million Dollar Elm Chief Financial Officer and acting Chief Executive Bill Leonhart issued a statement Tuesday saying that Supernaw had been set up by an ex-employee who intentionally failed to perform his accounting job then tipped Supernaw off to the fact to discredit the casino and its accounting.

"It is also important to know that we had a disgruntled accountant in Bartlesville who did not perform his duties," Leonhart wrote to all of Congress and several other tribal officials.

"This is the same individual that alienated the General Manager at Bartlesville, the Human Resources Administrator at Bartlesville, and several other employees within OMDEC. He intentionally orchestrated the Hominy revenue audit observation, targeting Bartlesville boxes that he knew were not opened since he did not perform his assigned duties as instructed. He has an agenda and is trying to discredit the accounting project at OMDEC. It is unfortunate that he has the ear of a member of Congress who finds this ex-employee credible."

Leonhart did not name the employee, but during the Friday hearing testimony was elicited from several casino executives and employees that Bartlesville casino accountant Cornell Sankey had been fired for failing to show up at work, and that Supernaw had later asked for his personnel file, saying he believed that Sankey would be a good "test case" for the Osage Nation's new "Whistleblower law" protecting those who uncover substantive wrongdoing within the tribe.

**Oversight powers come with procedure**

As Supernaw avers, Congress does have oversight powers, it was acknowledged during the hearing, but it has to follow a specific and public process to exercise them, much like the U.S. Congress can conduct inquiries into such debacles as the Watergate break-in or, more recently, White House aide Karl Rove's firing of federal prosecutors.

The Osage Congress can similarly hold hearings and subpoena witnesses and records within its government.

But witnesses said no such process was followed when the four Congress members, who are unlicensed by the Gaming Commission, entered the high-security area: No Congressional committee voted to perform the three unannounced visits to the Hominy casino, nor did the Congress as a whole.

In addition, the Gaming Commission, which has authority over the casinos by law, was not given advance notification of the visits.

Supernaw wrote that the restricted area has been accessed by unlicensed people "100s of times" and that no objection had ever been raised before. He appeared to be referring to an area outside the locked cage where accounting records are stored, an area that includes a smoking area.

He ended his Notes with the statement that he and other Congress members will continue to investigate alleged improprieties at the Million Dollar Elm casinos.

"We can expect every roadblock possible to be placed in our way," he wrote. "We'll be accused of everything from jay walking to cannibalism - expect that."

**"Staged public spectacle"**

Geoffrey Standing Bear, a lawyer who is representing the four Congress members free of charge, dispatched an angry letter to Gaming Commissioner Richard Chisoe the day before the hearing to say his clients would not appear at the "staged public spectacle."

The four were busy with Congressional business, he wrote, and Chisoe should not be duking it out in the "political arena."

"Just as the Gaming Board has made threats of 'apparent misuse' of authority against Members of the Osage Nation Congress, they are of the belief that the Gaming Board is upset at Members of Congress successful efforts at discovering serious threats to the financial integrity of the gaming operations and assets."

Standing Bear also suggested that a public hearing was an improper forum and said that an "informal discussion between the presently accused and accusers" would be more appropriate. He also asked that the record of the case be sealed.

Chisoe responded that the public hearing was required by the very laws of the Nation that Congress had written and passed. All Gaming Commission meetings are open to the public, and previous ones have been similar to that held Friday, with Homer acting as the questioner and Chisoe as the presiding officer.

"The Commission has legal obligations and responsibilities pursuant to that laws of the Nation that we are unable to ignore no matter how regrettable the circumstances," Chisoe said in his letter which, like Standing Bear's, was read into the record. "We must, therefore,

decline your request to convene ... privately."

The Commission did partially grant Standing Bear's request to seal the record, closing it for 10 days.

Supernaw's statements in forums outside the hearing are somewhat at odds with Friday's testimony from more than a dozen witnesses. For instance, he wrote that the four Congress members had opened more than one box and discovered that cash count reconciliations had not been done in April, apparently because they found a bag of records that was sealed when it should have been opened by those reconciling the accounts.

Hominy casino workers insisted that the four Congress members opened only one box of records, and all but one said that it was unclear whether one sealed bag of audit records from the Bartlesville casino had been reviewed by accountants; if the bags are cut open along the red seal, they can reseal themselves along the sticky strip when bundled into a box for storage, the witnesses said. The bag, from the Bartlesville casino and dated in April, apparently was sealed. The accountant responsible at the time would have been Cornell Sankey.

**Employee: Congress members were intimidating**

LaDonna Ballard, a general ledger clerk at Hominy, said that she was in the restricted area with the four members of Congress when Doug Revard said, "Nothing was being accounted for," and insistently quizzed accountant Cecilia Burris about accounting procedures, asking the same questions repeatedly as if he were dissatisfied with the same answer she kept giving.

"They wanted Cecilia to give a different answer than

**Supernaw**

the one she gave," Ballard testified. "It was like, 'This is what I'm asking and this is what you're going to tell me.'"

Ballard said that the attitude of the four Congress members was "intimidating....I would say intimidating."

The box of documents that was opened while the four were in the locked, fenced, restricted area known as the "dog pen" was removed from the cage to Ballard's and Burris' office as the Congress members were leaving. One Congressman wrote something on the box, and another took photos of the secured area and the box, Ballard, Burris and security guards testified.

"Congressman Supernaw wanted to know how he could mark the box because he was going to come back and go through that box," Ballard said.

**Likely source was fired for being a no-call no-show at work**

Other witnesses suggested that Supernaw's source of information was a short-term Bartlesville casino accountant Sankey, who was fired this summer after he failed to show up to a mandatory work day and a mandatory training day.

"He was a no-call no-show and was terminated," Million Dollar Elm Casino Chief Financial Officer and acting Chief Executive Bill Leonhart testified. "We don't chase them down and ask them why."

MDE's human resources director Carlton O'Brien said that after Sankey was fired, Supernaw called to ask for Sankey's personnel file and stated that his termination could be a "Whistleblower test case," referring to a recently enacted law protecting tribal employees who report substantive wrongdoing within the tribe.

O'Brien refused to give Supernaw the personnel file, and said he explained that federal privacy laws precluded such an act. He added that Sankey had been unhappy nearly from the outset of his employment in January, and had written numerous letters protesting the operation of the casinos.

**Accounting transfer has been rocky**

This year has been a difficult one for casino accounting, Leonhart and Gaming Commissioner auditor Joe Kelton said: Accounting was transferred in-house from the Shawnee accounting firm called Finley & Cook effective April 1. Short staffed and using state-of-the-art casino accounting software, the casinos did get behind in accounting.

Kelton said that the Gaming Commission rode MDE hard on the issue to force the casinos into compliance with laws and regulations. Leonhart, a longtime executive for Harrah's casinos before he came on board with the Osages, said that the casinos hired more staff, fired some staff, and "kicked it up a few notches." The casinos are catching up on accounting, he said, but are still behind a few weeks.

In his letter on Tuesday, Leonhart also said that the books are in order and said that one Congressman's often repeated desire to return to Finley & Cook for

accounting was foolish. Supernaw has written several times to constituents about his desire to rehire the Shawnee firm.

"A request has been repeatedly made by the same member of the Osage Congress to bring back Finley and Cook," Leonhart wrote. "From February of 2006 to March of 2008, the Osage Nation has paid Finley and Cook \$4,499,852 in fees. That calculates to \$173,071 per month! I assure you that the accounting function is moving in the right direction and that this is a ludicrous request."

Leonhart also said that mistakes had been made in the transfer of accounting functions from Finley and Cook.

"We have paid Tribal Distributions in the amount of \$11,310,300 for the three month period," he wrote. "Revenue Audit is operating in accordance with MICS (Internal Control Standards)."

"I am not saying that we are operating perfectly. We have made some mistakes along the way. This accounting project is a process and with any new process there is a learning curve. Mistakes will happen but it is important to note that we learned from our mistakes and corrected them."

**Fiasco could lead to fines, casino shutdowns**

On Friday, Kelton testified that the casino records stored in the "dog pen" are of a confidential nature and contain Social Security, driver's license and other identifying numbers associated with jackpot winners as well as myriad other records to account for every penny from the moment it enters a slot machine.

Without accounting experience, Kelton said, "it would take three or four years to get knowledgeable enough to know what's going on."

To boot, he said that one missing box of records can cause a total accounting fiasco that has the potential to close down the profitable casinos.

What happens when information is missing is that auditors issue a "disclaimed" audit, which means they can't vouch for the finances of the casino. The Osages had that happen in 2005, when accountants at Finley & Cook took over accounting from another firm and could not find all the records. For months, the tribe labored under the disclaimer audit.

"One box was missing," Kelton said. When the records were found, audits showed that no money was missing or unaccounted for.

But should such a thing reoccur, Kelton said, the casinos would be in deep trouble with the National Indian Gaming Commission and other federal and state agencies.

"Since we received an F two years ago, this time we'd not only receive an F, we would get kicked out of school," Kelton testified.

That would be the worst-case scenario if the allegations by Supernaw are correct.

Simply allowing the unlicensed Congress members into the cage could also be deemed a violation of national casino and banking regulations, Kelton, Leonhart and Gaming Enterprise Board Chairman Tom Slamans added: At \$25,000 per day per violation, the perceived Congressional misstep could set the Osage Nation back \$200,000 for eight potentially improper casino visits by unlicensed people - three by Supernaw to Hominy, one he made alone, one with two archivists, and one with his three Congressional colleagues.

**"Ohmigod! You won't believe what just happened"**

Congressman Revard was also the subject of a separate incident in which he visited the Ponca City casino to dress down the shift manager, Tillie Broncho, for her decision to enforce a one-machine-per-customer rule against two of Revard's friends.

Broncho's testimony about Revard's behavior came at the beginning of Friday's hearing, when video of the incident was played showing Revard in shorts, an orange shirt and a ball cap poking Broncho on the forearm and crowding her against the cashier's cage.

"It caught me off guard," Broncho testified. "I didn't know this gentleman... I was alarmed and concerned."

"We get hugs and handshakes from patrons but not gestures like that."

"He said, 'Do you know who I am,' and I said 'No sir,'" upon which Revard extracted a card from his wallet and said he was the Osage Nation Congress.

"If I did that I'd be fired or disciplined," said Ponca City casino general manager Chris White, referring to Revard's behavior.

Broncho said she kept Revard under the surveillance cameras because she did not want to be in a room without surveillance during his criticism of her.

When he left the casino, she said she went into the office and told co-workers: "Ohmigod! You won't believe what just happened!" She then called Human Resources and made a report.

"It was a big deal," she said.

And if a key management official from the casino came in and repeated such a scene, what would Broncho's reaction be? Gaming Commission attorney Liz Homer asked.

Broncho: "I'd just be ready for it after this."

In another matter, Supernaw suggested that The Bigheart Times had illicitly obtained a copy of a letter Slamans wrote to the Gaming Commission asking for Friday's hearing.

"This is a newspaper where Raymond Redcorn, Osage Member of Congress is part owner and his wife, a non-Osage, writes articles on the Osage political process," Supernaw wrote.

In fact, the newspaper is wholly owned by Louise Red Corn and has been since December of 2006.