

Stand Up For California!
“Citizens making a difference”

www.standupca.org

P.O. Box 355
Penryn, CA 95663

September 7, 2009

Madera County Grand Jury
Madera Superior Court, Jury Operations
209 W Yosemite Ave
Madera, CA. 93637
FAX: (559) 675-7730

Attn: Jury Foreman

Stand Up For California! is a statewide organization with a focus on gambling issues affecting California, including tribal gaming, card clubs, horse racing, satellite wagering, charitable gaming and the state lottery? We have been involved in the ongoing debate of issues raised by gaming and its impacts for over a decade. Since 1996, we have assisted individuals, community groups, elected officials, and members of law enforcement, local public entities and the State of California with respect to gaming. Additionally, we are recognized and act as a resource of information to local, state and federal policy makers.

As the oversight agency into governmental operating affairs and transparency, I would recommend the Madera County Grand Jury begin an immediate investigation as to the potential wrong doing of Madera Councilmember Gary Svanda, and other irregularities related to the Station Casinos/North Fork Rancheria project to build a large, Las Vegas-style casino off Highway 99 in Madera.

Station Casinos, a Las Vegas based gambling company which has recently declared bankruptcy, has purchased 305 acres of land for this casino near the Madera Airport for this project. The company then recruited the North Fork Rancheria located in the Sierra foothills to be their partner. North Fork has submitted an application to the United States Department of Interior to have this 305 acres of land declared as their tribal reservation even though the site is nearly 50 miles from its historic tribal lands. If approved by Interior, this designation would allow North Fork to build a casino on the Highway 99 property. Station would receive 25% of the revenues generated by the casino under a management contract they have signed with the North Fork Rancheria. Station has provided more than \$14.5 million to the North Fork Rancheria for lobbying and other activities to advance the project.

Mr. Svanda recently admitted to the Fresno Bee that he received a significant gift of travel reimbursements to lobby in Washington DC on behalf of the Station Casino project without reporting this gift as required by law by the Fair Political Practices Commission. Mr. Svanda's paid role in the project only came to light recently when he was listed as an unsecured creditor of Station Casino in bankruptcy proceedings. The bankruptcy papers also list the Madera County

Tax Collector and the Madera Fair Board as unsecured creditors to Station. Station has defaulted on tens of millions of loan payments this year prior to declaring bankruptcy.

Also mentioned in the article is a business group headed up by Councilmember Svanda. The web site of the business group is paid for by Station and North Fork. This makes the conflict issue even more complicated and brings to light new questions that must be investigated by your panel as to the undue influence Councilmember Svanda may be having on a controversial project in the Madera area. A simple Google search leads you to a page of the North Fork Rancheria of the Mono Indians webpage touting the Casino project. It has no individual domain.

There appears to be several issues that the Grand Jury might wish to investigate including:

- Councilmember Svanda's role in advocating the project even though he received gifts and perhaps other compensation from Station Casinos.
- Whether Mr. Svanda illegally failed to report his gift from Station as required by state law.
- Why the Madera County Tax Collector and Madera County Fair Board are listed as unsecured creditors to Station Casinos.
- Whether the Station bankruptcy and its history of not meeting commitments to creditors and partners would cast doubt of Station's ability to pay the funds promised in the Memorandum of Understandings signed with the City of Madera, Madera County and the Madera Irrigation District.
- Whether the Station bankruptcy proceeding would limit its ability to honor the commitments it and its partner North Fork Rancheria made in the MOU's with the City of Madera, County of Madera and the Madera Irrigation District.

Included in this correspondence:

- A copy of the Fresno Bee article dated Sept 2, 2009 and editorial of September 3, 2009.
- Mr. Svanda's Fair Political Practices Commission Form 700 that was fraudulently filed omitting the financial gift to Councilmember Svanda from Station.
- A list of Station's unsecured creditors.
- Copies of newspaper stories from the Sacramento Bee.
- A copy of Station Casino Annual Report for 2008.

Thank you very much for your interest in this issue. Please let me know if I can be of further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Cheryl A. Schmit". The signature is fluid and cursive, with a large initial 'C' and 'S'.

Cheryl Schmit
916-663-3207
cherylschmit@att.net
www.standupca.org

CC: Honorable Michael R. Keitz
Madera County District Attorney
209 West Yosemite Avenue
Madera, CA 93637

Attachments