

## Northern California tribe splits into armed camps over casino profits - Capitol and California

Written by Administrator  
Monday, 16 June 2014 13:22 -

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The Rolling Hills Casino, opened in 2002, has transformed the Paskenta Band of Nomlaki Indians into a wealthy nation. Every adult member of the Tehama County tribe gets \$54,000 a year, and kids receive trust funds and scholarships. Casino profits paid for the tribe's \$3 million jet and more than 162 ounces of gold.

Now, Tribal Chairman Andy Freeman and about 60 angry tribal members are asking: Where's the jet? Where's the gold?

They stormed the Bureau of Indian Affairs office on Capitol Mall in Sacramento on Thursday to accuse the tribe's economic development officer, former Sacramento FBI agent John Crosby, and treasurer and Tribal Council member Leslie Lohse of embezzling close to \$10 million. They've also accused Lohse, Crosby and Tribal Council members Geraldine Freeman and David Swearinger of launching a cyberattack on the casino, freezing some machines and forcing the casino staff to make all payouts by hand.

Crosby and Lohse have fired back, saying they didn't embezzle anything, and accusing the faction led by Andy Freeman of stealing all the tribal records and computers and hiring its own security force armed with AR-15s to take over the casino in a military-style operation.

Andy Freeman says Crosby, Lohse and about 40 members of the Henthorne, Crosby and Pata families have had their tribal membership and benefits suspended because they are not legitimate tribal members. The other side counters that it's still in charge and has a letter from Troy Burdick, the BIA's Central California superintendent, to prove it.

The bitter dispute over who runs the 216-member nation is one of a dozen intertribal feuds playing out in California Indian country, often involving casinos that gross hundreds of millions of dollars annually. Since these tribes are recognized as sovereign nations by the U.S. government, they have the right to pass their own laws and constitutions. They decide who's in charge, who's a member – and who's not – and who gets a slice of casino revenue that can exceed \$1 million a year per member.

Festering family rivalries and power struggles often boil to the surface, and several thousand

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California Indians have been disenrolled in the last decade, said Rick Cuevas, one of more than 300 members disenrolled from the Pechanga nation in Riverside in 2006. Those disputes can turn violent, and Lohse said she fears “another Cedarville.”

In February, the former chairwoman of the 35-member Cedarville Rancheria in rural Modoc County, Cherie Lash Rhoades, allegedly pulled a gun at a tribal meeting to discuss her suspension and eviction on embezzlement charges. She allegedly killed her brother, tribal chairman Rurik “Two Bears” Davis, along with her niece, nephew and another tribal member, police said. Rhoades, who pleaded not guilty to four counts of murder and two counts of attempted murder, is being held without bail pending trial.

The Paskenta rift erupted at the tribe’s annual General Council meeting April 12, when Andy Freeman suspended the three Tribal Council members and dozens of other members “pending a determination of whether that family ever met the criteria for membership.”

On May 2, Freeman issued a statement saying the new Tribal Council “has discovered substantial hard evidence of massive embezzlement of funds from the tribe by members of the suspended family and former Tribal Treasurer Leslie Lohse, Tribal Administrator Ines Crosby and Tribal Economic Development Director John Crosby.”

Freeman produced canceled checks to support his allegation that Crosby misappropriated \$1.4 million from tribal accounts to pay for his house, swimming pool, basketball court and remodeling work.

At a special General Council meeting May 10, tribal members voted 110 to 5 to reaffirm the removal of the three Tribal Council members Freeman had accused of wrongdoing. A new Tribal Council was elected: Vice Chairwoman Latisha Miller, Secretary Andrew Alejandre, Treasurer Ambrosia Rico and member-at-large Natasha Magana.

Nine days later, Tribal Chairman Freeman fired off a letter to the Sacramento FBI office. It contained 30 canceled checks and a “REWARD” poster for the allegedly missing plane: a Cessna Citation Encore.

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Freeman said in his letter that the tribe had hired a forensic accounting firm to examine 12 years of financial records, and that a preliminary investigation revealed that tribal funds “were funneled directly to two individuals – John Crosby and Lary Lohse ... the only authorized signatories” on the tribe’s business accounts.

The letter contained a number of specific allegations, including a charge that Lohse and John Crosby used more than \$10 million to fund unauthorized trips on the private jet, including trips to watch Leslie Lohse’s son Kyle, now a pitcher with the Milwaukee Brewers, play baseball.

Another allegation: John Crosby made an unauthorized purchase of \$209,000 worth of gold, which “remains unaccounted for.”

With the situation escalating, the BIA’s Burdick issued an “administrative cease and desist order” June 9, saying the newly constituted tribal leadership had violated federal law by taking control of the casino, which is located just off Interstate 5 in Corning.

Burdick said the BIA will continue to recognize the old Tribal Council of Freeman, Vice Chairman Swearinger, Treasurer Lohse, Secretary Geraldine Freeman and member-at-large Allen Swearinger “until this internal dispute can be resolved by the tribe.”

Burdick cited a report by Tehama County Sheriff’s Lt. Dave Greer that described an early morning standoff June 9 on the road to the casino, which had been blocked by armed members of the casino’s private security force. The private security force was confronted by about 30 people, also armed, whose vehicles were marked “tribal police.” Each group represented one of the warring tribal camps, Greer said.

Burdick ordered the casino’s armed security force, aligned with the Andy Freeman faction, to stop blocking the road to the gambling hall.

Burdick’s order enraged the Freeman faction, and about 60 tribal members, including children, protested in front of the BIA office at 650 Capital Mall for three hours Thursday while Freeman met with Burdick.

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They carried signs saying “True Lineal Descendants” and chanted “BIA Get Out Of Our Business.”

John Crosby and Lohse said they welcomed the forensic audit. In reality, they said, neither the state nor federal government is investigating Freeman’s allegations.

“I worked white-collar crime, that’s the irony of it,” said the former FBI agent.

Crosby, who said he holds degrees in law and accounting, said he helped Andrew Freeman’s late father, Everett Freeman, get the tribe restored through an act of Congress in 1994. The tribe and its rancheria – along with dozens of others – had been terminated by the federal government in 1959, and its land was sold off.

Crosby said he worked for free with Everett Freeman and California Indian Legal Services to restore the tribe. He said he traces his tribal lineage to his grandmother, Ida Luella Henthorne Pata, a Nomlaki.

He said he was hired by Everett Freeman and the tribal council in 2001. Both Crosby and Lohse produced employment contracts indicating they were granted \$5 million lines of credit “to either be paid, forgiven or extended” after 2020 if they negotiated a compact with the state for casino gambling.

Crosby said money he used for his house and cars came from the line of credit, and that he intended to repay it unless the tribe voted to forgive the debt. “I did buy the gold for the tribe,” he said. Both the gold and the jet are being kept in a safe place after Andrew Freeman’s faction broke into the tribal offices at 2 a.m. one morning and “hailed everything out,” Crosby said.

Crosby said he’s made a lot of money for the tribe. “We’ve distributed \$74.5 million since the casino opened,” he said.

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He said the current dispute was triggered when he and Lohse wouldn't give Andy Freeman money to buy a third house.

Freeman responded that he never asked them for money to buy a house. "Put me on a lie detector test," he said.

Lohse, who met with President Barack Obama in 2009 to promote tribal businesses, said her family can trace its lineage back to Ben Henthorne, who appears as a tribal member in the 1918 census. She said most of her trips on the tribal jet were to visit the tribe's business interests in Texas, Colorado and Georgia, and she accused Freeman's attorneys of trying to drive a wedge between her council and the tribe for their own interests.

For now, it appears the standoff will continue. One of Freeman's attorneys, Richard Verri, said he has appealed Burdick's cease and desist order. Until the appeal is decided, the order has "zero effect," he said.

Verri said the appeal will go to BIA Regional Director Amy Dutschke, whose ruling will be subject to another appeal that will be stayed until the Interior Board of Indian Appeals rules. Even that decision is subject to appeal before a federal court.

"Those appeals sometimes take a decade," he said.

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*Call The Bee's Stephen Magagnini, (916) 321-1072. Pete Basofin contributed to this report.*

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