

HOGANSBURG — The St. Regis Mohawk Tribal Council no longer is sharing revenues from its casino with the state, according to a news release.

The tribe contends that the state has violated the contract that allows the tribe to operate the Akwesasne Mohawk Casino.

"The state of New York has failed to abide by the exclusivity provisions in the gaming

compact," Chief Mark H. Garrow said. "There is a specific provision in the compact that guarantees an area of exclusivity to the St. Regis Mohawk Tribe."

The tribal compact gives the Mohawks the exclusive right to install and operate slot machines in Clinton, Essex, Franklin, Hamilton, Jefferson, St. Lawrence and Franklin counties.

Mr. Garrow would not say where the other slot machines are that allegedly violate the exclusivity agreement.

He said the tribe needs to enter discussions with the state, as outlined in dispute resolution protocols in the compact, before anything more can be said publicly.

"Because we want to abide by the terms of the compact, we feel we need to speak to the state of New York first," Mr. Garrow said. "We have had no contact with anyone from New York state at this time. The compact will determine what happens next."

Because of the alleged violation, the Tribal Council said, it no longer is bound by the 2004 gaming compact agreement to share revenue with the state. The decision was made at last month's tribal meeting, Mr. Garrow said.

The gaming compact requires the tribe to send a quarter of its annual profits to the state, which then shares the money with St. Lawrence and Franklin counties and the towns of Massena,

Brasher Falls, Fort Covington and Bombay.

Under the compact, the tribe owes the state approximately \$4.9 million for the last quarter, Mr. Garrow said. That money is not going to Albany.

The news came as a shock to officials who have come to depend on the money for economic development.

"I think everybody is just in a state of shock," Bombay Supervisor Mary-Frances Taylor said. "We had just begun working with Fort Covington on a joint plan. We talked about forming an LDC, establishing a revolving loan fund, hiring a planner."

Over the past two years, Bombay has received about \$600,000, Ms. Taylor said. The money has been used to build town offices, many of which previously were located in people's homes.

Massena, which expects about \$450,000, already has planned how it will use the gaming money in its tentative 2011 budget. The money will be used for highway equipment and improvements, the Business Development Corp. and the town airport, among other things.

Massena is taking the position that the money is due Massena regardless of any disagreements between the state and tribe, town Supervisor Joseph D. Gray said.

"I'm kind of in a wait-and-see mode," Mr. Gray said. "It's unfortunate that it's come to this, but the bottom line is per the contract, the town of Massena is due a certain amount of money. If the tribe and the state have an issue, they need to resolve that. It doesn't really have a direct impact, or it shouldn't really have a direct impact on the town of Massena receiving the compact money."

Tribal officials said the move is not related to ongoing state efforts to collect taxes on cigarettes sold on reservations, nor is it related to a similar dispute between the state and the Seneca tribe

over its gaming compact.

The Senecas say that certain video games in bars as well as slot machines at state-operated racetracks violate their exclusivity agreement.

The state has threatened to revoke the Senecas' gaming compact without an agreement reached under expedited arbitration and seems willing to do the same to the Mohawks. Seneca and state officials began negotiations Tuesday. No agreement was reached, but the two agreed to continue the dialogue, according to Morgan W. Hook, spokesman for Gov. David A. Paterson.

"While the state has yet to comprehensively review the reasoning behind the suggestion that we have violated the gaming compact, one thing is very clear: The St. Regis Mohawks' failure to pay the state is an egregious material breach of the gaming compact," Mr. Hook said in an e-mailed statement. "The state will now seek all remedies available under the compact including expedited arbitration in order to protect the state and local municipalities from losing this critical funding."

Mr. Garrow has vowed that the Akwesasne Mohawk Casino will stay open.

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