

STATEMENT OF RICHARD M. MILANOVICH, CHAIRMAN  
AGUA CALIENTE BAND OF CAHUILLA INDIANS

PRESENTED TO THE SENATE COMMITTEE ON INDIAN AFFAIRS  
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**Introduction:**

Good morning Chairman Campbell, Chairman McCain, Senator Inouye, and Members of the Committee. I am Richard M. Milanovich, Chairman of the Agua Caliente Band of Cahuilla Indians. I appreciate the opportunity to testify before you today. I would like to commend the Members of this Committee and your staff for bringing to light the malicious actions of two unscrupulous individuals, and those who acted to enable their enterprise. While I had opposed the efforts of Mr. Abramoff and Mr. Scanlon to obtain contracts with our Tribe, distrusting their claims, methods and, quite frankly, mostly their cost, it was not until I saw the secret e-mails and other information obtained by the efforts of this Committee that I began to truly comprehend the full nature of their conniving actions. This morning I would like to address four areas: First, I would like to provide you with a little background on our Tribe; second, I will share with you my thoughts at the time Mr. Abramoff and Mr. Scanlon contrived to obtain contracts for their firms with our Tribe; third, I will highlight what we have learned over the last seven months concerning their actions; and, finally, I will describe some of the things our Tribe is doing in light of what we have learned.

I have served on the Tribal Council since 1977. My service began as a Member from 1977 to 1981, as Secretary from 1981 until 1984, when I was elected as Chairman, a position I have been honored to hold for the past 20 years.

From time immemorial our people resided in the Palm Springs area. Our people developed complex communities in the Palm, Murray, Andreas, Tahquitz, Chino Canyons and on the desert floor. With abundant water supply, plant and animal life, the Agua Caliente Band of Cahuilla Indians thrived. In 1876, the U.S. Federal Government deeded in trust to the Agua Caliente Band of Cahuilla Indians 32,000 acres of our ancestral homeland as the Agua Caliente Indian Reservation. We are industrious and creative with a reputation for independence, integrity, and justice. We are proud of our rich history and our culture.

The Agua Caliente Band of Cahuilla Indians Constitution and By-laws was adopted in 1955. The Agua Caliente Band of Cahuilla Indians has a government-to-government relationship with the United States Government. As a federally-recognized Tribe and sovereign tribal entity, we have governmental authority over our reservation lands and people.

The Tribe's Constitution and By-laws outline the two-tiered democratic Tribal government structure: the Tribal membership and the elected Tribal Council. The Tribal Council consists of five council members: Chairman, Vice-Chairman, Secretary and two Members. The Chairman, Vice-Chairman and Secretary serve two-year terms and Members serve a one-year term. Under our Constitution, action is taken by a majority vote of the Tribal Council.

**The Relationship with Jack Abramoff and Michael Scanlon:**

I would like to preface my remarks on the topic of the Tribe's business relationship with Jack Abramoff and Michael Scanlon with the general statement that we are still learning, together with the Committee, of the efforts of these individuals to recruit individual tribal Members to collaborate in their deceitful undertakings. Concurrent with the Committee's investigations, we, of course, have begun our own internal investigation, but at the time the Tribe entered into business arrangements with these individuals and their firms, we had no idea of the steps they had already taken in order to manipulate our democratic decision-making process.

While I am proud that these selfish efforts were only partially successful, clearly these ill-motivated actions were a critical element of what appears to be a scheme to obtain large and unjustified payments from the Tribe.

As a result of the majority vote of the Council, and in my capacity as Chairman, I signed service contracts with Greenberg Traurig, LLP, and Scanlon Gould Public Affairs on July 9 and July 24, 2002. Jack Abramoff and Greenberg Traurig were hired to assist the Tribe with all political and lobbying activities relating to a wide range of public policy issues. Michael Scanlon and Scanlon Gould were hired to help the Tribe with respect to pending gaming compact issues in California.

The first time that I met Jack Abramoff and Michael Scanlon was in the course of their presentations seeking contracts to represent the Tribe. Mr. Abramoff identified himself as a representative of one of the top law and lobbying firms in the United States. The fact that these

men and their services were associated with such a prestigious firm was something upon which some on our Council relied. In large measure, Mr. Abramoff's and Mr. Scanlon's presentations rested on their self-described success on behalf of other Tribes. Personally, I was skeptical with regard to the presentation and was more than skeptical of the fees that Mr. Abramoff and Mr. Scanlon were seeking for their firms.

I voiced my objections and sought to defeat the effort to obtain contracts. But Mr. Chairman, as I am sure you will understand, sometimes being Chairman is not enough if others have managed to collect the votes. When the contracts and matters relating to the contracts came to a vote, the Vice-Chairman and I found ourselves outvoted. Of course, at that point in time I had no idea that Mr. Abramoff and Mr. Scanlon had already deceptively engaged in a full-scale effort that they themselves valued at tens of thousands of dollars, to defeat certain Tribal Council Members, myself included, in order to elect a slate more friendly to their sales pitch.

I was surprised and disappointed that some others on our Council took a different view, but at this point I was unaware of the lengths that Mr. Abramoff and Mr. Scanlon had gone to in enlisting the support of certain individuals in our Tribe. Of course, other members of our Council had also been deceived. At the time I did, however, take some solace in paying such a large retainer for Mr. Abramoff's services in that Greenberg Traurig is a law firm with a responsibility to honorably treat its clients. As Chairman, I thought it was my duty to try and make the best of the situation. Looking back from where we sit today with the knowledge of press reports and the preliminary findings of this Committee, it appears that some people at Greenberg Traurig were deceived, just as we were, regarding much of Mr. Abramoff's activities.

It is my sense that we have only seen the tip of the iceberg—but already it appears that Mr. Abramoff and Mr. Scanlon, working in conjunction with those who willingly enlisted to collaborate with them, engaged in numerous instances of improper conduct. Their own words demonstrate that they improperly sought to manipulate for private gain the electoral process of our Tribe. This occurred both before and after they were hired. It also appears they did not view the Tribe or even the Tribal Council as their clients. Instead, they worked on behalf of themselves and a small faction of Tribal members they were seeking to elevate to a position of total control by manipulating Tribal elections. In the course of their work for the Tribe, Mr. Abramoff and Mr. Scanlon attempted to hide information from the full Council while working covertly with this collaborating faction. Their own secret communications indicate a willingness to sacrifice the interest of the Tribe in exchange for the opportunity to make more money for themselves. It appears that this approach, seeking an outcome that would actually hurt their client so that they could make more money, was not unique in our case. While there are a number of specifics that your investigation is revealing, perhaps the saddest is the utterly callous fashion in which they mocked the interests of the clients they were actually hired to represent and displayed a willingness to engage in virtually any conduct as long as they could make money.

In April of this year, the Tribal Council unanimously voted to suspend its relationship with both Greenberg Traurig and Scanlon Gould.

Based on information we have already learned, we have taken further action concerning the attempts to manipulate our Tribal elections. We have suspended certain individuals from any

appointed role in our government. We have retained the services of Darryl Wold, a former Chairman of the Federal Election Commission, to conduct an internal tribal inquiry into whether there were any violations of tribal law. As Chairman, I am working with our Tribal Council to reform our laws regarding contracting, election and other procedural safeguards. Additionally, we have asked our legal counsel to aggressively pursue all avenues of obtaining reimbursement and compensation for injuries caused to our Tribe. We will, of course, continue to work with the Committee and other authorities.

**Conclusion:**

Mr. Chairman, I would like to close by reiterating my gratitude to you, Chairman McCain, Senator Inouye and the Committee on your investigation. I will be happy, at the appropriate time, to answer any questions that you may have. Thank you.