## **BART STUPAK** 1ST DISTRICT, MICHIGAN

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SCOTT SCHLOEGEL—CHIEF OF STAFF TOM BALDINI—DISTRICT DIRECTOR

June 9, 2010

Attorney General

The Honorable Eric Holder

U.S. Department of Justice 950 Pennsylvania Avenue, NW

Washington, DC 20530



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The Honorable Ken Salazar Secretary U.S. Department of the Interior 1849 C Street, NW Washington, DC 20240

Dear Attorney General Holder and Secretary Salazar:

The Greektown Casino, owned and operated in large part by the Sault Ste. Marie Tribe of Chippewa Indians, is undergoing reorganization in bankruptcy. As part of the reorganization, the Tribe stands to lose its entire investment in the business, including a portion of the real property underlying the casino.

I am writing to request that the U.S. Department of the Interior and the U.S. Department of Justice investigate whether it is legally possible for the Tribe to lose its real estate interest in the Greektown Casino in light of the Indian Non-Intercourse Act, 25 U.S.C. § 177.

My interest in this issue stems in part from past experience with a transaction involving fee lands owned by the Tribe and donated to construct a hospital in my congressional district. In 1993, the Sault Ste. Marie Tribe purchased 16 acres of private land in the city of St. Ignace, Michigan and operated a motel on the property for several years. The Tribe donated this fee simple land to the Mackinac Straits Hospital Authority (MSH) for the purpose of constructing a new hospital in 2005. The new hospital construction was backed by a \$35 million loan guarantee from the U.S. Department of Agriculture (USDA). As part of the loan guarantee, USDA required title insurance coverage. However, no title insurance could be obtained because of questions about the Tribe's right to convey the land. The questions arose in the context of restrictions against alienation stemming from the Indian Non-Intercourse Act, 25 U.S.C. § 177, which prohibits the sale, grant or lease of land from any Indian nation without the consent of the federal government.

Because the Non-Intercourse Act did not grant the Secretary of the Interior the authority to approve tribally-owned (fee) land sales without direct authorization from Congress, in 2008 I introduced legislation, Pub. L. 110-453, 122 Stat. 5027 (Dec. 2, 2008) that authorized the Tribe to make the land transaction.

The relevance of Pub. L. 110-453 to the Greektown Casino stems from a December 23, 1992 Warranty Deed wherein Monroe Associates conveyed 0.76 acres of real estate by Warranty Deed to the United States Department of the Interior on behalf of the Sault Ste. Marie Tribe. The

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-1	
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Warranty Deed conveying the property was executed, recorded and delivered to the Department of the Interior, conveying the property to the United States in trust on behalf of the Sault Ste. Marie Tribe of Chippewa Indians. That property is now listed as part of 1010 Beaubien Street, Detroit, Michigan, which underlies the Greektown Casino.

In light of the requirement that I introduce legislation to allow the Tribe to convey the hospital parcel in 2005, I seriously question the propriety and legality of a process in which the property conveyed to the United States in trust on behalf of the Tribe can now be conveyed to another party without Congressional authorization.

This issue arose in 1997, during the licensing process for the Greektown Casino, when the Michigan Gaming Control Board raised questions about the status of the property at 1010 Beaubien, and particularly about whether the United States had an interest in the property. When the Tribe and Monroe Associates chartered Greektown Casino, LLC, each provided a document disclaiming interest in the property described in the Warranty Deed. Monroe Associates provided a Quit Claim Deed. The Tribe's then-Chairman provided a Disclaimer of Interest in Real Property. Then the parties sought, but never obtained, a proper disclaimer of interest from the United States. In my opinion, this issue was never resolved and the 0.76 acres known as 1010 Beaubien is owned by the federal government for the benefit and use of the Sault Ste. Marie Tribe of Chippewa Indians.

In a memo from the Tribe's attorney, Daniel T. Green, dated December 6, 1999, he states that at the time the Greektown Casino, LLC organizational documents were drafted, the parties relied on the Tribe's ownership of the Beaubien property as a result of the 1992 deed and drafted the organizational documents accordingly.

The Disclaimer of Title executed by Chairman Bernard Bouschor that purports to disclaim any tribal interest in the property lacks a supporting Tribal Resolution authorizing him to disclaim a tribal interest in the land.

Likewise, the letter of March 13, 2000 from the Bureau of Indian Affairs' Acting Regional Director of the Minneapolis Area Office, Deloris Springer, is an ineffective disclaimer of interest from the United States because it is not authorized by Congress.

I seriously question the propriety and legality of a process in which the property conveyed to the United States in trust on behalf of the Tribe can be conveyed without authority from Congress and without full Tribal consent. I ask that the Departments of Justice and Interior provide answers in writing to the following questions:

- 1. Who holds the title to the property at 1010 Beaubien Street, Detroit, Michigan?
- 2. Which entity has the legal authority to transfer the title to the property at 1010 Beaubien Street, Detroit, Michigan?
- 3. What is the proper legal procedure (including any specific documents required) to transfer the Tribe's interests in 1010 Beaubien?

These are just some of the questions I have after consulting with constituents on this matter. I have encouraged Tribal members to seek legal action to stop the transfer of their property under what I believe to be false misrepresentations. I the meantime, I ask that any further proceedings related to reorganization of the Greektown Casino by the Michigan Gaming Control Board or other agencies be immediately postponed until a determination can be made by the appropriate agencies regarding the applicability of the Indian Non-Intercourse Act. I appreciate your prompt attention to this matter.

Sincerely,

BART STUPAK

Member of Congress

Cc: President Barack Obama

Director Peter Orszag, Office of Management and Budget

Assistant Secretary Larry Echo Hawk, U.S. Department of the Interior

Chairman John Conyers, House Judiciary Committee

Chairman Nick Rahall, House Natural Resources Committee

Governor Jennifer Granholm, State of Michigan Attorney General Mike Cox, State of Michigan

Executive Director Richard Kalm, Michigan Gaming Control Board

Chairman Darwin "Joe" McCoy, Sault Ste. Marie Tribe of Chippewa Indians