

'Indian gaming' 1993: South Africa comes to the Dakotas

by Philip Valenti

In March 1987, an Israeli businessman named Shabtai Kalmanowitch was arrested in London for passing \$2 million in forged checks to the National Bank of North Carolina.

Kalmanowitch was extradited to the United States, over the protests of his friends in the Israeli intelligence agency Mossad. He was released on bail, traveled back to Israel, and was arrested by Israeli authorities on charges of espionage for the Soviet KGB.

Kalmanowitch's base of operations was Bophuthatswana, one of the "sovereign tribal homelands," or "bantustans," set up by the South African regime in the late 1970s to keep control of the black population. There, he was a business partner of Sol Kerzner, known as the "casino king" of South Africa.

Now, Kerzner's top South African "casino boss" is pushing to be hired as manager of the proposed casinos on the Standing Rock Indian Reservation on the border of North Dakota and South Dakota in the United States, with financing from Switzerland.

Further investigation by *EIR* shows that Bophuthatswana has functioned since its creation as an organized crime paradise and base for dirty intelligence operations, as well as a South African-controlled "ghetto" to maintain political and economic oppression of the black majority.

These criminal networks may now be planning to apply this model wholesale in the United States, under the cover of "Indian gaming."

The Aug. 5, 1987 issue of the British newsletter *Africa Confidential* explained the origin of casino gambling in South Africa:

"The first attempts to satisfy the lusts of some white South Africans for gambling, soft porn and sex across the color line was met by setting up South African-owned hotel casinos in the neighboring states of Lesotho, Swaziland, and Botswana. All these activities were then against the law in South Africa, although the latter is now legal. These centers of entertainment were relatively small, and inconveniently far from South Africa's main urban areas. . . .

"The government's 'grand apartheid' policy was enshrined in the creation of the four nominally independent homelands of Transkei (1976), Bophuthatswana (1977), Venda (1979), and Ciskei (1981). This provided a legal way of establishing casino entertainment complexes within the

homelands themselves, in the heart of South African territory and therefore close to its main metropolitan areas."

By 1988, the South African government could boast that at least 60% of blacks lived in the homelands, under repressive and corrupt administrations kept in power by the South African military:

"Unemployment in the homelands is probably running at about 50% of the active population. . . . About 70% of homeland households are below the generally accepted poverty datum line. Disease and malnutrition are commonplace. . . . An added attraction [to business investors] is that most homelands ban trade unions and have no minimum wage or similar labor legislation, and the wages in many homeland factories . . . are less than two dollars a day" (*Africa Confidential*, Jan. 22, 1988).

From the outset, the biggest business in the homelands has been casino gambling, and the South African "casino king" who monopolizes the business there is Kerzner. Today, Kerzner, through his Sun International company, owns 29 hotels and casinos throughout the region, including the lavish 1,200-room Sun City complex in Bophuthatswana.

According to *Africa Confidential* (Aug. 5, 1987), "Reports commissioned by the Bophuthatswana government found exploitative labor practices at the [Sun City] complex and a damaging impact on the surrounding population. A report commissioned by Sun City itself found 'an almost complete lack of proper security.'"

Sun International's reputation is so dirty, that its subsidiary "Kunick Leisure Group" was denied a casino license by the British Gaming Board, *Africa Confidential* reported on Aug. 5, 1987. At the same time, *Africa Confidential* reported on Aug. 19, 1987, Sun's bid to break into the French casino market was met with angry protests by labor unions and others. Later, Kerzner was officially denounced for practicing massive bribery in the homeland of Transkei (*Africa Confidential*, Feb. 23, 1990).

Kalmanowitch and the Mossad

One of Kerzner's business partners was Shabtai Kalmanowitch, an Israeli who had emigrated from the Soviet Union, and who became a trusted operative of the Mossad. Kalmanowitch, through his Israeli intelligence front-company LIAT, financed at least one of Kerzner's hotels, and the

two became partners in a crocodile farm.

Kalmanowitch's influence grew so rapidly, that he became known as the "white president" of Bophuthatswana. He was appointed homeland "trade representative" to Israel, and used his position to run covert operations in Africa. LIAT is credited with the 1985 overthrow of the Sierra Leone government, which installed a pro-Israel regime there.

Another Kalmanowitch front was "Bophuthatswana International," or "B International," which later became involved in the Iran-Contra affair. Solomon Schwartz of B International was arrested by U.S. Customs for weapons smuggling in 1984, and claimed that the operation was sanctioned by his known associate Oliver North. Schwartz was never prosecuted.

Kalmanowitch also worked with Swiss-based commodities trader Marc Rich to illegally ship Iranian oil to South Africa. Rich was indicted in New York in 1983 for violating the Trading with the Enemy Act, and remains a fugitive in Switzerland.

A similar operation was run by reputed Israeli intelligence asset Bruce Rappaport, a golfing partner of the Reagan CIA director William Casey. Rappaport also played a central role in the Iran-Contra affair, by arranging the 1985 shipment of weapons by Israel to Iran, in exchange for the release of U.S. hostage Rev. Benjamin Weir in Lebanon. He also helped finance Israeli weapons-trafficking in Central America. Rappaport's international banking and shipping empire is based out of his Inter-maritime Bank of Geneva, Switzerland.

Kalmanowitch's subsequent arrests and conviction for espionage in Israel showed that this entire nexus is among the most corrupt and traitorous on the face of the earth. In 1992, every element of it showed up in North Dakota, looking to exploit "Indian gaming."

North Dakota is a place where video gambling and even a state lottery have been soundly defeated in public referenda. Yet, by October 1992, the governor had signed "gaming compacts" with four Indian tribes, and full-scale casino gambling seemed inevitable there nevertheless.

Resistance spreads

Within days, two courageous women on the Standing Rock Reservation filed a motion in Tribal Court for a temporary restraining order against the casino. They were supported immediately by local backers of presidential candidate Lyndon LaRouche.

Although the injunction was denied by the court on grounds of "sovereign immunity," the fight hit the front pages of the local press. It soon emerged that Bismarck attorney and Democratic Party influential Arly Richau, who had been hired as casino manager by the tribe, was merely a front-man for Seven Circle Resorts of Switzerland.

Seven Circle, which had just been incorporated in Delaware on Sept. 11, 1992, was itself a subsidiary of Tivolino, based in Zurich. Although Tivolino's bank accounts are se-

Chippewas demand congressional probe

The following statement was released on Dec. 21, 1992 by Joseph J. Peltier of Dunseith, North Dakota:

We enrolled members of the Turtle Mountain Chippewa Reservation in North Dakota are completely opposed to casino gambling on our reservation. We want public hearings and a congressional investigation to find out what is really behind all the gambling on reservations across the country.

We believe that casino gambling will destroy our Indian identity and corrupt our people, especially the youth. We believe that big organized crime money is behind casino gambling. We believe that outside criminal people want to take advantage of the lack of accountability on the reservation.

We need good, honest jobs for our people, so they can live as dignified human beings. *We do not want gambling.* We hope that all good people, Indian and non-Indian, will work together with us to stop this corruption.

cret, reliable sources have told *EIR* that the company is financed by the Goan family, part of the same Zionist network as Marc Rich and Bruce Rappaport.

Brian McMullan, Seven Circle's proposed casino manager for Standing Rock, boasts in his resumé that he was "casino consultant" (May 1986-November 1986) and "director of gaming operations" (November 1986-April 1992) for Sun International. As such, he says, he "was responsible for the entire gaming operations" of Sun's casino empire in Bophuthatswana, Botswana, Lesotho, Ciskei, Namibia, Swaziland, Transkei, Venda, and the South African Riviera.

From 1972 to 1982, McMullan had been employed in various capacities by the Playboy Group of casino companies in Britain. In February 1981, Playboy's administrative offices in London and two of its casinos (the Playboy Club and the Clermont) were raided by the police. Later that year, the police and the British Gaming Board opposed renewal of Playboy's casino license, forcing the company's British chairman to resign in disgrace. Other police reports link another McMullan-managed casino, Victoria Sporting Club, to the late Philadelphia organized crime boss Angelo Bruno.

Resistance to casino gambling is currently spreading on the Indian Reservations of North and South Dakota. Public pressure forced the Standing Rock Tribal Council to break its contract with front-man Richau on Nov. 6. A decision about Seven Circle is expected within weeks.