

Eastern Pequots Are Target of Lawsuit

By Katie Haughey – The Sun Staff

In the second multi-million dollar suit filed against the historic Eastern Pequots in as many months, Amalgamated Industries is suing the tribe for breach of contract and civil conspiracy. In a 57 page suit alleging bribery, betrayal and conspiracy, Amalgamated Industries, Inc., says the Eastern Pequots violated a decade-long agreement that guarantees the company a significant portion of any casino profits it may earn in the future.

Casino mogul Donald Trump filed a similar suit in May, saying the Historical Easterns dropped him as developer in favor of Eastern Capitol LLC, a company headed by resort developer David A. Rosow. The move allegedly violates a contract Trump has with the tribe to develop a casino.

In 1992 Amalgamated began helping the Paucatuck Eastern Pequot tribe in its lengthy and costly quest for federal recognition. In addition to providing as much as \$14 million to the tribe for that purpose, the company introduced the tribe to Trump and helped "garner support from the business and financial worlds." The suit seeks to require the Easterns to adhere to the contract, and to provide "reimbursement" for the more than \$14 million the company spent on the push for recognition. The suit does not, however, name a specific figure as a remedy.

The contract between the two also calls for 5 percent of the net revenues of the Paucatuck tribal gaming activities and an additional 5 percent of any and all other tribal economic activities over a period of five years.

The Paucatucks were recognized in 2002, but as part of the historic Eastern Pequot tribe, however, the Paucatucks constitute only 150 of the 1,150 – member tribe. The remaining members are of the Eastern Pequot faction, which has been backed by Rosow since 2000. The 14-member Historical Eastern Pequot tribal council has only five members from the Paucatucks. The council voted to use only Rosow and get rid of Amalgamated and Trump.

Amalgamated Chairman J.D. DeMatteo still wants to work with the tribe and make them adhere to their agreement, unanimously approved by the Paucatucks' tribal council in the 1990s. However, "a small coterie of persons hijacked the Historic Tribe, fraudulently misled the tribe's council and members and purportedly terminated its partnership with Amalgamated for the obvious purpose of converting Amalgamated's contractual entitlements for and to themselves," the suit says. The suit names 17 individual tribe members from both the Paucatuck and Eastern factions.