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**The Former Governor and Finance Director of the Passamaquoddy Tribe
Indicted on Federal Fraud Charges**

Bangor, Maine: United States Attorney Paula D. Silsby announced today that Robert L. Newell, 64, of Princeton, Maine, was indicted today by a federal grand jury in a thirty-count indictment. Newell, who from September 2002 to September 2006 served as the Governor of the Passamaquoddy Tribe Indian Township Reservation, was charged with one count of conspiracy to defraud and to commit offenses against the United States, three counts of intentionally misapplying more than \$5,000 of property of a tribal government that received more than \$10,000 in federal benefits, six counts of intentionally misapplying funds of a health care benefit program, three counts of making false statements in a matter within the jurisdiction of a U.S. government agency, and seventeen counts of submitting false claims to the government.

James J. Parisi, Jr., 45, of Portland, Maine, was also charged as a co-conspirator and co-defendant in twenty-one of the thirty counts, including conspiracy, eleven false claim counts, two counts of misapplying tribal government funds, six counts of misapplying health care benefit program funds and one false statement charge. According to the indictment, Parisi was the Finance Director of the Indian Township from 2003 to 2006.

Nine of the thirty counts carry a maximum jail term of ten years in prison on each count. The remaining twenty-one counts carry a maximum jail term of five years in prison on each count. The maximum fine is \$250,000 per count.

The indictment charges that from 2003 to 2006 Newell and Parisi misapplied federal program funds that had been awarded to the tribe by the U.S. Department of Health and Human Services, U.S. Department of the Interior, the U.S. Department of Housing and Urban Development, the U.S. Department of Justice and the U.S. Environmental Protection Agency. The defendants also allegedly diverted funds from the tribal employees' retirement fund. According to the indictment, the conspiracy resulted in the misapplication of approximately \$1.7 million in federal funds that had been awarded to the tribe for the benefit of its tribal programs.

The defendants' first court appearance has not yet been set by the court.

This matter was investigated by agents and investigators from the U.S. Department of Interior, U.S. Department of Justice, U.S. Department of Health & Human Services, U.S. Department of Housing & Urban Development, the U.S. Environmental Protection Agency, the U.S. Department of Labor, Employee Benefits Security Administration, and the U.S. Attorney's Office.

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