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SEVEN FORMER COYOTE VALLEY TRIBAL LEADERS FACE ARRAIGNMENT ON THEFT, TAX AND OBSTRUCTION OF JUSTICE CHARGES

Indictment Alleges Casino Funds Misappropriated For Personal Use, Political Donations

SAN FRANCISCO – U.S. Attorney Kevin V. Ryan and California Attorney General Bill Lockyer today announced seven former officials of the Coyote Valley Band of Pomo Indians will be arraigned tomorrow on 39 federal counts of theft and misuse of tribal casino funds, conspiracy, obstruction of justice, tax evasion and failure to file tax returns.

U.S. Attorney Kevin V. Ryan stated, "In this case, tribal leaders allegedly used the funds of the tribe for their own personal benefit or for unauthorized political contributions. We are committed to enforcing federal law intended to protect tribal members from the misuse of their funds. I thank the California Department of Justice, the Department of Interior's Inspector General Office, and IRS-Criminal Investigation for their outstanding investigative work on this case."

All seven defendants have been issued summonses to be arraigned in federal court tomorrow at 9:30 a.m. before Magistrate Judge Spero in San Francisco. The defendants – all former members of the Tribal Council of the Coyote Valley Band of Pomo Indians – were indicted on the charges on August 16, 2006, and the court unsealed the indictment on Monday afternoon.

The defendants include: former Tribal Chairwoman Priscilla Hunter, 59, of Ukiah; former Tribal Historian Michael Hunter, 32, of Ukiah; former Tribal Vice Chairwoman Iris Martinez, 55, of Roseville; former Tribal Secretary Darlene Crabtree, 32, of Pinoleville; former Tribal Council Member-at-Large Fred Naredo, 56, of Santa Rosa; former Tribal Treasurer Michelle Campbell, 39, of Redwood Valley; and former Tribal Council Member-at Large Allan Crabtree, 54, of Nice.

These charges are the result of an investigation by the California Department of Justice, Division of Gambling Control; the United States Department of the Interior, Office of the Inspector General; and the Internal Revenue Service–Criminal Investigation. The Northern California Computer Crimes Task Force, Mendocino Major Crimes Task Force, Mendocino County Sheriff's Department, and Ukiah Police Department also participated in the investigation by assisting in the execution of search warrants in the case in May of 2004.

The indictment alleges several offenses occurred between 1999 and 2004. First, Priscilla Hunter, Martinez, Campbell and Michael Hunter are charged with conspiring to steal and misapply tribal funds from at least mid-2001 through 2004. Second, the indictment charges Priscilla Hunter and Martinez with theft and misapplication of more than \$40,000 of the Shodakai Coyote Valley Casino's funds. The

indictment bases these charges on Priscilla Hunter's and Martinez' alleged improper and systematic booking of first class rather than coach flights when traveling on business.

Third, all seven defendants are charged with willful misapplication of funds belonging to the tribe's Shodakai Casino, and conspiracy to commit that offense, by using approximately \$25,300 to make political contributions. The indictment alleges the contributions contravened a 2001 settlement agreement with NIGC, the tribe's gaming ordinance and federal regulations prohibiting such use of casino funds. Fourth, the indictment charges Priscilla Hunter, Martinez and Campbell with obstruction of justice and conspiracy for taking a number of steps to impede a July 2003 audit of the casino by NIGC. Finally, the indictment charges Priscilla Hunter and Campbell with evading taxes on large amounts of income by intentionally not filing returns.

According to the indictment, Priscilla Hunter, Martinez, Campbell and Michael Hunter conspired between at least May 2001 and December 2004 to take and misapply funds belonging to the tribe and casino. The indictment alleges the defendants used credit and debit cards issued and funded by the tribe to purchase personal items for their own benefit, in contravention of the 2001 settlement agreement with NIGC and tribal and casino fiscal policies and procedures. The defendants used tribal or casino funds to purchase numerous items for their personal use, including New York Islanders hockey tickets, art, DirecTV services and airline tickets, according to the indictment.

The seven defendants made the alleged improper political contributions between April 2002 and March 2004 to several federal and California politicians and political organizations, the indictment charges. Gaming revenues must be distributed 50 percent to tribal members as per capita payments, according to the indictment, and 50 percent to designated purposes to benefit the tribe. The indictment further alleges that this misuse of funds was not consistent with the terms of the 2001 settlement agreement with NIGC.

Regarding the obstruction of justice charges, the indictment notes NIGC in 2003 launched a probe into the tribe's and casino's compliance with the 2001 settlement agreement. Instead of cooperating, as required under the 2001 settlement agreement, Priscilla Hunter, Martinez and Campbell conspired to participate in the alteration and destruction of tribal and casino records, with the intent to impede, obstruct and influence NIGC's investigation, the indictment alleges. As part of the conspiracy, Priscilla Hunter directed a tribal employee to black out account information in financial records maintained by the tribe and the casino, the defendants met to alter and falsify those business records, and a casino employee shredded certain business records, according to the indictment.

Finally, the indictment charges Ms. Hunter with tax evasion in 1999, 2000 and 2002 and with failure to file tax returns between 1999 and 2003. Ms. Campbell is charged with failure to file tax returns between 2000 and 2003.

The maximum, statutory prison time and fine for each count is as follows: conspiracy (18 U.S.C. § 371), five years imprisonment and \$250,000 fine; willful misapplication of casino funds (18 U.S.C. § 1167(b), 10 years imprisonment and \$250,000 fine; obstruction of justice (18 U.S.C. § 1519), 20 years imprisonment and \$250,000 fine; tax evasion (26 U.S.C. § 7201), five years imprisonment and \$250,000 fine; failure to file tax return (26 U.S.C. § 7203), one year imprisonment and \$25,000 fine. However, any sentence following conviction would be imposed by the court after consideration of the U.S. Sentencing Guidelines and the federal statute governing the imposition of a sentence, 18 U.S.C. § 3553.

On May 25, 2004, federal, state and local authorities executed numerous federal search warrants at

casino and tribal offices, and private residences. An indictment contains only allegations against an individual and, as with all defendants, each defendant must be presumed innocent unless and until proven guilty.

Haywood S. Gilliam, Jr. and David Denier are the Assistant U.S. Attorneys who are prosecuting the case with the assistance of Cherell Hallett. The prosecution is the result of a three-year investigation by the California Department of Justice, Division of Gambling Control; the United States Department of the Interior, Office of the Inspector General; and the Internal Revenue Service Criminal Investigation Division.

Further Information:

Case #: CR 06-0565 SI

A copy of this press release may be found on the U.S. Attorney's Office's website at www.usdoj.gov/usao/can.

Electronic court filings and further procedural and docket information are available at <https://ecf.cand.uscourts.gov/cgi-bin/login.pl>.

Judges' calendars with schedules for upcoming court hearings can be viewed on the court's website at www.cand.uscourts.gov.

All press inquiries to the U.S. Attorney's Office should be directed to Luke Macaulay at (415) 436-6757 or by email at Luke.Macaulay@usdoj.gov.

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