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**OPERATORS OF "BLUE STILLY" SMOKE SHOP SENTENCED TO PRISON FOR
TRAFFICKING IN MILLIONS OF CONTRABAND CIGARETTES**

Defendants Knowingly Failed to Pay More than \$25 Million in State Taxes

Three members of the Stilligumish Tribe will go to prison for their scheme to profit by selling contraband cigarettes without paying the applicable Washington State tax. EDWARD LEVERNE GOODRIDGE, Sr., 60, and EDWARD GOODRIDGE, Jr., 33 both of Arlington, Washington and SARA LEE SCHROEDL, 40, now of Prescott, Arizona pleaded guilty in November 2008, to Conspiracy to Traffic in Contraband Cigarettes and Engaging in Monetary Transactions involving criminal proceeds. The three tribal members were on the tribal council when they set up a corporation to run the Blue Stilly Smoke Shop for their own personal profit. The GOODRIDGES were each sentenced to 14 months in prison and two years of supervised release. SCHROEDL was sentenced to eight months in prison and two years of supervised release. LINDA LOY GOODRIDGE, 59, the wife of EDWARD GOODRIDGE Sr., was sentenced to two years of supervised release, 4 months of home confinement with electronic monitoring, and 200 hours of community service. Both SCHROEDL and GOODRIDGE, Jr. also have to perform 200 hours of community service following their prison sentences. All four are responsible for \$25,706,331 in restitution.

In imposing the prison time, U.S. District Judge James L. Robart noted that he did not think it was enough for the defendants to simply pay back the money they had illegally gained in the scheme. Judge Robart said he was struck by what he read in a letter from a member of the Stilligumish Tribe that the GOODRIDGES were driving around in expensive cars, while other tribal members were sleeping in their cars. "It could not have been lost on these defendants that they were reaping benefits that were disproportionate," Judge Robart said. The three defendants who were sentenced to prison were tribal members with leadership roles, who betrayed the trust of the tribe. The current Tribal Chairman told the court that money the GOODRIDGE's took for their own benefit could have gone to benefit tribal members with better housing and other infrastructure.

In their plea agreements the defendants admitted to unlawfully avoiding more than \$25 million in Washington State taxes and agreed to forfeit approximately \$1,000,000 in cash. The defendants admitted that between March 2003, and May 2007, they conspired to sell contraband cigarettes – these are cigarettes for which the state tax had not been paid. On May 15, 2007, federal law enforcement executed search warrants at homes and businesses associated with the GOODRIDGE family. They found records of the illegal cigarette sales, more than 3.5 million contraband cigarettes, and more than \$46,000 in cash. Evidence gathered from the searches of Blue Stilly and various cigarette suppliers revealed that between March 2003, and May 2007, the Blue Stilly had ordered and illegally sold in excess of 1.8 million cartons of cigarettes and generated more than \$55 million in revenues from the illegal sales of cigarettes. The four conspirators personally

profited \$15 million, which they used for their own benefit and did not pay any cigarette tax to the State of Washington.

The case was investigated by the Bureau of Alcohol, Tobacco, Firearms & Explosives (ATF), the Internal Revenue Service Criminal Investigations (IRS-CI), and the Washington State Liquor Control Board. The case was prosecuted by Assistant United States Attorneys Mary K. Dimke, J. Tate London, and Richard E. Cohen.

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