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**Former Passamaquoddy Governor Convicted of Conspiracy, Fraud and False Statements**

Bangor, Maine: United States Attorney Paula D. Silsby announced today that Robert L. Newell, the former Governor of the Passamaquoddy Tribe Indian Township Reservation, was convicted of twenty-nine of thirty counts after a two-week jury trial in U.S. District Court in Bangor, Maine in front of Chief Judge George Singal.

Newell, 65 years old, was convicted of conspiring to defraud the United States, intentionally misapplying tribal government funds, intentionally misapplying funds of a federal health care benefit program, making false statements to United States agencies, and submitting false claims to the U.S. government agencies. The charges in the indictment all related to the use of restricted funds awarded to the Passamaquoddy Tribe when Newell was Governor of the Indian Township Reservation from 2002 to 2006.

James J. Parisi, Jr., 47 years old of Portland, Maine, the former Finance Director at Indian Township under Newell, was convicted of eleven of the twenty-one counts he was charged with, including conspiracy, intentionally misapplying tribal funds and health care benefit program funds, and submitting false statements and false claims.

The jury deliberated for approximately twenty-four hours over three days. Eight of the twenty-nine counts against Newell have a maximum term of imprisonment of ten years while the other twenty-one counts have a maximum term of imprisonment of five years. Parisi was convicted of five ten-year felonies and six five-year felonies.

The evidence in the case established that from 2003 to 2006, Newell and Parisi conspired to defraud the United States by misapplying approximately \$1.7 million dollars in restricted federal funds that had been awarded to the tribe for the benefit of its tribal programs. The defendants also diverted funds from the tribal employees' retirement account. The evidence at trial also showed that Newell used the restricted federal funds and the funds of the tribe's Indian Health Center to benefit himself, his family, and other tribal members with whom he carried favor. The evidence also established that Newell used many of these restricted BIA funds on general assistance. Newell paid approximately \$1.6 million in general assistance to tribal members during 2006, his last year in office.

Trial evidence showed that James Parisi assisted Newell by transferring funds between tribal bank accounts, and by submitting a false statement and false claims for reimbursement to the Substance Abuse and Mental Health Services Administration, a division of the U.S. Department of Health and Human Services. SAMHSA previously awarded a three-year grant to the tribe for a substance abuse and HIV prevention program. Newell was convicted of diverting some of these funds to pay for the salaries of tribal council members who did not work for the substance abuse program. Parisi also assisted Newell by diverting more than \$800,000 of restricted funds awarded to the tribe from the Bureau of Indian Affairs to run various programs at the tribe such as the police and fire departments, the education department and the tribal court.

U.S. Attorney Silsby stated, “this was a long and complicated case but the jury of eleven women and one man were attentive throughout and reached a very thoughtful verdict that reflected a complete understanding of the nuances of the case.” She also praised the cooperative efforts of the federal law enforcement agencies that worked together on this case.

This case originated in December of 2004 after several concerned tribal members, many of whom worked at the Indian Health Center, came forward to notify federal agents of the actions of then-Governor Newell. In April of 2005, Newell suspended or terminated the employment of several of these health center employees.

This matter was investigated by special agents from the respective Offices of Inspector General of 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, and the U.S. Environmental Protection Agency, as well as investigators from the U.S. Department of Labor, Employee Benefits Security Administration, and the U.S. Attorney’s Office.

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