



# Department of Justice

UNITED STATES ATTORNEY DEBORAH R. GILG  
DISTRICT OF NEBRASKA

## **Nine Former Winnebago Tribal Council Members Indicted**

July 20, 2016

United States Attorney Deborah R. Gilg announced today that the federal grand jury has returned an eleven count indictment against nine former members of the Winnebago Tribal Council. John Blackhawk (age 61), Darwin Snyder (age 49), Thomas Snowball, Jr. (age 55), Louis Houghton (age 69), Lawrence Payer (age 70), Travis Mallory (age 38), Charles Aldrich (age 48), Morgan Earth (age 70), and Ramona Wolfe (age 76) were each charged with conspiracy, theft and misapplication of funds belonging to an Indian gaming establishment, and wire fraud. An arraignment date for each of the defendants will be set by the Clerk of the District Court, but the arraignment hearing is anticipated to be in early August.

A conspiracy conviction is punishable by up to five years of imprisonment and/or a \$250,000 fine. A conviction for theft or misapplication of funds belonging to an Indian gaming establishment is punishable by up to ten years of imprisonment and/or a \$250,000 fine. A wire fraud conviction is punishable by up to 20 years of imprisonment and/or a fine of \$250,000.

According to the Indictment, each defendant received a salary in excess of \$80,000 in 2013, and a salary in excess of \$87,000 in 2014. Those tribal council salaries had been increased by approximately 35% in February 2013 retroactive to October 1, 2012. Because of the retroactive nature of the salary increase, on February 22, 2013, lump sum distributions were given to the defendants in the following amounts: (a) general members of the tribal council \$8,288.56; (b) vice-chairman, secretary, and treasurer \$9,945.74; and (c) chairman \$11,602.92. Additionally, each of the defendants received five separate bonuses totaling \$5,955.62 in 2013, and six separate bonuses totaling \$11,019.23 in 2014. The defendants also received additional paychecks for unused vacation time. Defendants Aldrich, Blackhawk, Houghton, Payer, and Snyder also received longevity pay for continuous employment ranging from \$3,200 to \$5,000 per person per year.

Despite the fact that the defendants had received such large salary and bonus payments from the Winnebago Tribe, the Indictment alleges the defendants devised, executed, and aided and abetted the execution of a plan to receive additional funds directly from the WinneVegas Casino without accounting for same through the payroll department of the Winnebago Tribe and without approving the distribution of such funds at a regular meeting of the Tribal Council. The Indictment further alleges these distributions were contrary to the policies of the Tribe and the casino and that the disbursements were not approved by the Winnebago Gaming Commission.

According to the Indictment, distributions to the defendants were in the form of gift certificates issued by the casino and multiple loads to pre-paid debit cards paid for by the casino. No monies were paid for the issuance of the gift certificates, but the defendants were able to cash them at the casino or otherwise redeem them for merchandise. The total amount of gift certificates issued to the defendants in 2013 and 2014 was \$87,000. The total amount loaded to the debit cards of the defendants in 2013 and 2014 was \$240,500. These distributions were recorded on the books of the casino as miscellaneous administrative expenses.

The Indictment alleges that when the distribution of these monies became known to members of the Tribe, the defendants attempted to justify the distribution by claiming the funds paid were additional salary or stipends to members of the Tribal Council to compensate them for additional oversight duties they were allegedly required to perform regarding the operation of the casino during 2014. However, the Indictment further alleges that: (a) oversight of the casino was already a part of the duties of all Tribal Council members for which they received a salary from the Tribe; (b) not all defendants performed additional duties relating to the business of the casino; (c) Stipends paid to Tribal Council members for work performed relating to sitting on boards of directors of other economic entities of the Tribe were considerably lower and were typically just \$200 per meeting; (d) Tribal Council members were not licensed vendors authorized to receive payments directly from the casino; (e) the Winnebago Gaming Commission had not approved such disbursements to the defendants; and (f) the disbursement of such funds was contrary to the bylaws of the Tribe because the description of the alleged work to be performed, the justification for same and the amount of compensation therefore were not approved by the Tribal Council at any regular meeting nor was the disbursement of said funds over and above the tribal budget for fiscal years 2013 and 2014 approved at any regular meeting of the Tribal Council.

As a result of the actions of the defendants, the total loss to the WinneVegas Casino was \$327,500.

This case was investigated by the Federal Bureau of Investigation.

FBI Supervisory Agent in Charge Randy Thyse stated: "These individuals used their elected official positions to enrich themselves and in the process betrayed the trust of their peers and those they were elected to serve. The FBI Omaha Division will remain steadfast in aggressively investigating those responsible for perpetrating schemes like this and will continue to pursue all allegations of public corruption."

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