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TRIBAL LEADER IN ARIZONA CHARGED IN 65-COUNT INDICTMENT FOR THEFT OF TRIBAL FUNDS

Tribal leader allegedly stole approximately \$300,000 in tribal funds

PHOENIX - A federal grand jury in Phoenix returned a 65-count indictment late yesterday against Evelyn James, 53, a Tribal Council member of the San Juan Southern Paiute Tribe in Arizona for various counts of theft. The charges are the result of a 15-month-long investigation by the Department of Justice Office of the Inspector General, the FBI and the Internal Revenue Service Criminal Investigation Division.

James, of Tuba City, Ariz., intermittently served as the Tribal President. She was charged with False Statements, Theft of Public Money, Theft from Indian Tribal Organization, Theft from Indian Tribal Government Receiving Federal Funds, and Monetary Transactions (ie, Money Laundering). James will receive a summons ordering her to appear in federal court in Phoenix for an initial appearance.

“Elected tribal leaders, like all elected public officials, are in a unique position of trust and owe a special duty of care to their constituents,” stated U.S. Attorney Diane J. Humetewa. “Where there is a violation of that duty, we have a responsibility to make sure they are held accountable.”

Norman Lau, Special Agent in Charge of the Department of Justice Office of the Inspector General Denver Field Office, stated, “The Office of the Inspector General is committed to holding accountable public officials who betray the trust placed in them by using for personal gain Department of Justice grant funds that were intended to benefit the public.”

“Tribal communities who elect their public officials entrust them to follow the rule of law and serve with integrity. When this public trust is betrayed for personal gain it strikes at the core of Tribal Government,” stated Acting Special Agent in Charge Steven Hooper of the Federal Bureau of Investigation, Phoenix Division. “Public Corruption is a high priority for the FBI and we will continue to work with our law enforcement partners to hold those individuals accountable when they violate the public's trust.”

The indictment alleges that James, while serving as President of the San Juan Southern Paiute Tribe, completed, signed and submitted a request for federal grant money to hire three full-time community peacekeepers (police officers) in 1996. In 1998, \$224,997 in grant funds were deposited in the tribe's grant account. In October 2003, James submitted a letter and financial status report indicating that the tribe had incurred expenses of \$344,695 for the hiring of three police officers and that the remaining federal share owed the tribe was \$174,997. However, no peace officers were ever

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hired, trained or employed by the San Juan Southern Paiute Tribe.

Between 2003 and 2005, the tribe received federal funds from various sources. This included \$575,777 from the Bureau of Indian Affairs (BIA) in 2003; \$215,715 from BIA in 2004; and \$57,739 from BIA in 2005. Additionally, the tribe received \$592,997 from the U.S. Department of Health and Human Services, through the Indian Health Service Program in 2003; \$617,698 in 2004; and \$618,122 in 2005. Beginning in 2005, James allegedly began writing checks to herself from money drawn on the tribal account. During 2005, the indictment alleges that she stole approximately \$300,000 in tribal funds.

A conviction for False Statements carries a maximum penalty of five years in federal prison, a \$250,000 fine or both. A conviction for Theft of Public Money carries a maximum penalty of 10 years in federal prison, a \$250,000 fine or both. A conviction for Theft from an Indian Tribal Organization carries a maximum penalty of five years in federal prison, a \$250,000 fine or both. A conviction for Theft from Indian Tribal Government Receiving Federal Funds carries a maximum penalty of 10 years in federal prison, a \$250,000 fine or both. A conviction for Transactional Money Laundering carries a maximum penalty of 10 years in federal prison, a \$250,000 fine or both. In determining an actual sentence, the assigned judge will consult the U.S. Sentencing Guidelines, which provide appropriate sentencing ranges. The judge, however, is not bound by those guidelines in determining a sentence.

An indictment is simply the method by which a person is charged with criminal activity and raises no inference of guilt. An individual is presumed innocent until competent evidence is presented to a jury that establishes guilt beyond a reasonable doubt.

The investigation preceding the indictment was conducted by the Department of Justice Office of the Inspector General, the Internal Revenue Service Criminal Investigation Division and the Federal Bureau of Investigation. The prosecution is being handled by Mark Brnovich and Peter Sexton, Assistant U.S. Attorneys, District of Arizona, Phoenix.

CASE NUMBER: CR-08-1035-PCT
RELEASE NUMBER: 2008-227(James)

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