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FILED

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Clerk, U.S. District Court
District Of Montana
Billings

ATTORNEYS FOR PLAINTIFF
UNITED STATES OF AMERICA

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MONTANA
GREAT FALLS DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

vs.

ENCORE SERVICES, LLC, and
ZACHARY BROOKE ROBERTS,

Defendants.

CR 16- 19 -GF-BMM

INDICTMENT

CONSPIRACY TO DEFRAUD THE
CHIPPEWA CREE TRIBE (Count I)

Title 18 U.S.C. § 371

(Penalty: Five years imprisonment,
\$250,000 fine, and three years supervised
release)

SCHEME TO DEFRAUD THE
CHIPPEWA CREE TRIBE/WIRE
(Count II)

Title 18 U.S.C. §§ 1343, 2

(Penalty: 20 years imprisonment, \$250,000
fine, and three years supervised release)

BRIBERY/OFFERING (Counts III & IV)

Title 18 U.S.C. §§ 666(a)(2), 2

(Penalty: Ten years imprisonment, \$250,000
fine, and three years of supervised release)

FINES FOR CORPORATE DEFENDANT Title 18 U.S.C. § 3571(c) (Penalty: \$500,000 fine for each count of conviction)

THE GRAND JURY CHARGES:

INTRODUCTION

At all times relevant to this Indictment:

1. The Chippewa Cree Tribe of the Rocky Boy's Indian Reservation was a federally recognized tribe located in north-central Montana, whose affairs were governed by the Chippewa Cree Business Committee and whose government was located at Box Elder, Montana.

2. During the period of the Indictment, the Chippewa Cree Tribe received millions of dollars, per calendar year and per fiscal year, from the United States government, including, but not limited to, the U.S. Departments of Interior, Health and Human Services, Education and Agriculture, and the Environmental Protection Agency.

3. In or about May of 2010, officials of the Chippewa Cree Tribe, including members of the Chippewa Cree Business Committee, created First American Capital Resources, LLC (FACR), as a limited liability company, wholly-owned by the Tribe, with its headquarters and principal place of business located in Box Elder, Montana, to provide a pay-day, on-line lending platform

which, using tribal sovereignty, could attempt to circumvent state laws and regulations regarding usury and predatory lending.

4. In or about May of 2010, the Chippewa Cree Business Committee created an oversight board for on-line lending operations chaired by John Chance Houle.

5. On March 11, 2011, the Tribe founded Plain Green, LLC (Plain Green), a successor entity to FACR, as a limited liability company, wholly-owned by the Tribe, with its headquarters and principal place of business located in Box Elder, Montana, as another lending enterprise to provide a pay-day, on-line lending platform which, using tribal sovereignty, could attempt to circumvent state laws and regulations regarding usury and predatory lending.

6. At all times relevant hereto, until January 2012, Neal Rosette served as the Chief Executive Officer (CEO) for FACR and, subsequently, as the CEO for Plain Green.

7. At all times relevant hereto, Billi Anne Morsette was the Chief Operating Officer (COO) for FACR and, subsequently, the COO for Plain Green, and, after January 2012, served as both the CEO and COO for both entities.

8. At all times relevant hereto, John Chance Houle was the Vice Chairman of the Chippewa Cree Business Committee and designated as the oversight official for the Tribe's internet lending operations.

9. At all times relevant hereto, the enterprise known as Ideal Consulting, LLC (Ideal Consulting), was a shell company created and controlled by James Eastlick, Jr., Neal Rosette, and Billi Anne Morsette.

10. At all times relevant hereto, the enterprise known as the defendants, ENCORE SERVICES, LLC, was a Henderson, Nevada, entity doing business with the Chippewa Cree Tribe, and its subsidiary businesses, FACR and Plain Green, in connection with the internet lending program on the Rocky Boy's Indian Reservation.

11. At all times relevant hereto, the defendant, ZACHARY BROOKE ROBERTS, was the President and Chief Executive Officer of ENCORE SERVICES, LLC.

COUNT I
THE CONSPIRACY

That from June 1, 2011, through July 10, 2013, in the State and District of Montana, and other places, the defendants, ENCORE SERVICES, LLC, and ZACHARY BROOKE ROBERTS, with each other and with James Eastlick, Jr., John Chance Houle, Neal Rosette, Billi Anne Morsette, Tony Belcourt, Bruce Sunchild, Shad James Huston, and others to the Grand Jury both known and unknown, did knowingly and intentionally conspire, confederate, and agree to commit an offense against the laws of the United States, that is, having devised and

intending to devise a scheme and artifice to defraud the Chippewa Cree Tribe and to obtain monies by means of false and fraudulent pretenses, representations, and promises, transmitted and caused to be transmitted in interstate commerce from Henderson, in the State of Nevada, to Box Elder and Havre, in the State of Montana, by wire, writings, signs, and signals for the purpose of executing the scheme and artifice to defraud, in violation of 18 U.S.C. § 1343.

OBJECT OF THE CONSPIRACY

Facilitation of Internal Tribal Corruption: An objective of the conspiracy was to extract monies and funds from the public revenues of the Chippewa Cree Tribe, and the bank accounts of Plain Green, by means of false and fraudulent documents, agreements, contracts, and invoices, and thereafter use Plain Green and ENCORE SERVICES, LLC, a nominee vendor, to facilitate and conceal payments to favored tribal officials, including Neal Rosette, John Chance Houle, Billi Anne Morsette, and others, as part of a tribal spoils system that enriched certain tribal officials using tribal funds intended for the public good of the tribal community.

Unjust Enrichment of Off-Reservation Companies and Persons Willing to Aid and Assist Tribal Corruption in Exchange for a Share of the Spoils: It was also an objective of the conspiracy to make substantial payments to a non-tribal business, ENCORE SERVICES, LLC, which would, in turn, reward and influence those tribal officials and others that had arranged for ENCORE SERVICES, LLC, to

share in the proceeds of the embezzlement with personal payments, thereby insuring the continuation of the scheme to skim millions of dollars of public funds and place them into the personal accounts of tribal officials and the individuals and entities willing to perpetuate the corrupt transactions.

OVERT ACTS

In furtherance of the conspiracy, and to affect the objects thereof, the conspirators committed, among others, the following overt acts:

1. On or about May 4, 2011, the conspirators, being ZACHARY BROOKE ROBERTS, John Chance Houle, Neal Rosette, and others, agreed to and executed a revised management agreement with ENCORE SERVICES, LLC, purporting to supersede an earlier agreement, dated October 22, 2010, and the amendments altered the definition of terms in the earlier agreement.
2. In June and July of 2011, the conspirators, being ZACHARY BROOKE ROBERTS, John Chance Houle, Neal Rosette, and others, executed a "Fee Agreement," which committed 15% of the revenue generated by Plain Green to ENCORE SERVICES, LLC.
3. In July of 2011, John Chance Houle received a payment of \$145,874 from Plain Green.
4. On or about August 2, 2011, Neal Rosette registered as the agent for Ideal Consulting, LLC, with the State of Montana, Secretary of State's Office.

5. On or about August 3, 2011, Neal Rosette and Billi Anne Morsette wired and caused to be wired \$93,800 to ENCORE SERVICES, LLC's corporate bank account in Henderson, Nevada.
6. On or about August 3, 2011, James Eastlick, Jr., Neal Rosette, and Billi Anne Morsette, on behalf of Ideal Consulting, submitted an invoice for "5% consulting fees" to ENCORE SERVICES, LLC, for the payment of \$50,652.40, and, on August 5, 2011, received that amount by means of a wire transfer into a Havre, Montana, account at Wells Fargo Bank in the name Ideal Consulting, LLC.
7. On or about August 1, 2011, and continuing thereafter until on or about July 10, 2013, Neal Rosette and Billi Anne Morsette, as tribal employees managing the tribe's Plain Green interests, made regular payments to ENCORE SERVICES, LLC, from tribal revenues obtained from the operation of an internet lending operation.
8. On or about August 1, 2011, and continuing thereafter until on or about July 10, 2013, James Eastlick, Jr., then representing Ideal Consulting, LLC, submitted invoices for "consulting fees" to ENCORE SERVICES, LLC, knowing that Ideal Consulting, LLC, had not provided any services that would entitle Ideal Consulting, LLC, to the monies demanded of ENCORE SERVICES, LLC, by the bogus invoices.

9. Between July of 2011 and July of 2013, Neal Rosette and Billi Anne Morsette, acting individually and in concert, provided approximately \$3.523 million in tribal funds to ENCORE SERVICES, LLC.
10. Between August 2011 and July 2013, Neal Rosette, Billi Anne Morsette, and James Eastlick, Jr., using the alias entity Ideal Consulting, LLC, received and apportioned among themselves over \$1.2 million in payments from ENCORE SERVICES, LLC.

All in violation of 18 U.S.C. § 371.

COUNT II

On or about August 1, 2011, and continuing thereafter until on or about July 10, 2013, at Box Elder and Havre, in the State and District of Montana, and other places, the defendants, ENCORE SERVICES, LLC, and ZACHARY BROOKE ROBERTS, with each other and with James Eastlick, Jr., John Chance Houle, Neal Rosette, Billi Anne Morsette, Tony Belcourt, Bruce Sunchild, Shad James Huston, and others to the Grand Jury both known and unknown, having devised and intending to devise a material scheme and artifice to defraud the Chippewa Cree Tribe, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, for the purpose of executing such scheme and artifice, and attempting to do so, knowingly transmitted and caused to be transmitted by means of wire communication in interstate and foreign commerce,

writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice.

THE SCHEME TO EMBEZZLE TRIBAL FUNDS THROUGH A THIRD PARTY VENDOR

During the period of the Indictment, it was part of the scheme and artifice to defraud the Chippewa Cree Tribe that the defendants, ENCORE SERVICES, LLC, and ZACHARY BROOKE ROBERTS, would assist certain officials of the Chippewa Cree Tribe seeking to clandestinely and secretly divert tribal monies to Neal Rosette and Billi Anne Morsette by accepting and depositing monies to which they were not otherwise entitled and then kick-back a substantial portion of those revenues to Neal Rosette and Billi Anne Morsette under the guise of false and fraudulent invoices from an alias entity, Ideal Consulting, LLC.

THE INTERSTATE WIRE COMMUNICATIONS

During the period of the Indictment, the defendants, ENCORE SERVICES, LLC, and ZACHARY BROOKE ROBERTS, having devised and intending to devise a material scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, as described herein, for the purpose of executing the scheme to defraud, transmitted and caused to be transmitted by means of wire communication affecting interstate commerce, writings, signs, signals, pictures, and sounds for the purpose of executing

such scheme and artifice, that is, emails and wire funds transfers, to and from Henderson, in the State of Nevada, to and from Box Elder and Havre, in the State of Montana, in violation of 18 U.S.C. §§ 1343 and 2.

COUNT III

On or about August 1, 2011, and continuing thereafter until on or about January 24, 2012, at Box Elder and Havre, in the State and District of Montana, and other places, the defendants, ENCORE SERVICES, LLC, and ZACHARY BROOKE ROBERTS, corruptly gave, offered, and agreed to give a thing of value to Neal Rosette, then the Chief Executive Officer of Plain Green, a tribally established, tribally owned, and tribally operated company of the Chippewa Cree Tribe engaged in an internet lending business, an agency of Indian tribal government, with the intent to influence and reward Neal Rosette in connection with any business, transaction, and series of transactions of such agency, involving \$5,000 or more, that is the defendants, ENCORE SERVICES, LLC, and ZACHARY BROOKE ROBERTS, in order to participate in the revenue stream generated by the Tribe's internet lending venture with another business partner, used fraudulent documents, corrupt agreements, and fraudulent invoices to extract tribal revenues, and then kicked back approximately one-third of those revenues to Rosette and his associates to ensure a continued revenue source, in violation of 18 U.S.C. §§ 666(a)(2) and 2.

COUNT IV

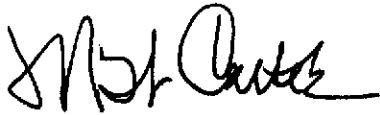
Between, on, or about August 1, 2011, and continuing thereafter until on or about July 10, 2013, at Box Elder and Havre, in the State and District of Montana, and other places, the defendants, ENCORE SERVICES, LLC, and ZACHARY BROOKE ROBERTS, corruptly gave, offered, and agreed to give a thing of value to Billi Anne Morsette, who was the Chief Operating Officer, and subsequently both the Chief Operating Officer and the Chief Executive Officer, of Plain Green, a tribally established, tribally owned, and tribally operated company of the Chippewa Cree Tribe engaged in an internet lending business, an agency of Indian tribal government, with the intent to influence and reward Billi Anne Morsette in connection with any business, transaction, and series of transactions of such agency, involving \$5,000 or more, that is, the defendants, ENCORE SERVICES, LLC, and ZACHARY BROOKE ROBERTS, in order to participate in the revenue stream generated by the Tribe's internet lending venture with another business partner, used fraudulent documents, corrupt agreements, and fraudulent invoices to extract tribal revenues, and then kicked back approximately one-third of those revenues to Morsette and her associates to ensure a continued revenue source, in violation of 18 U.S.C. §§ 666(a)(2) and 2.

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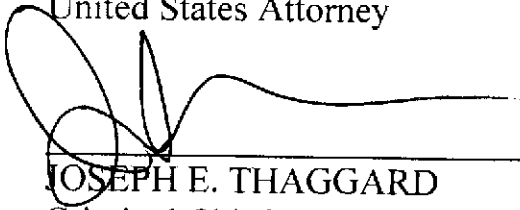
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A TRUE BILL.

Foreperson signature redacted. Original document filed under seal.



MICHAEL W. COTTER
United States Attorney



JOSEPH E. THAGGARD
Criminal Chief Assistant U.S. Attorney

Crim. Summons X Tue March 29th
10:00am JTL
Warrant: _____
Bail: _____