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FILED IN UNITED STATES DISTRICT COURT, DISTRICT OF UTAH
DEC 17 2003
BY MARCUS B. JENKINS, CLERK
DEPUTY CLERK

IN THE UNITED STATES DISTRICT COURT
DISTRICT OF UTAH, CENTRAL DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

vs.

LEON D. BEAR,

Defendant.

INDICTMENT

:
: COUNTS 1-2: Theft from Indian
: Tribal Organizations (18 U.S.C. §
: 1163); COUNT 3: Theft Concerning
: Programs Receiving Federal Funds
: (18 U.S.C. § 666); COUNTS 4-6:
: Fraud and False Statements (26
: U.S.C. § 7206(1))

CRIMINAL No.

Judge Bruce S. Jenkins
DECK TYPE: Criminal
DATE STAMP: 12/17/2003 @ 11:09:25
CASE NUMBER: 2:03CR00999 BSJ

The Grand Jury charges:

INTRODUCTION

At all times material to this Indictment:

The Skull Valley Band of Goshute Indians

1. The Skull Valley Band of Goshute Indians (hereafter the Skull Valley Band) was a federally recognized Indian tribe subject to the laws of the United States relating to Indian affairs.
2. Defendant LEON D. BEAR (hereafter Defendant Bear) was recognized by the Bureau of Indian Affairs, U.S. Department of the Interior, as the duly elected Chairman of the Skull Valley Band, beginning on or about 1996.
3. As the Chairman of the Skull Valley Band, Defendant BEAR received a monthly salary payment. This salary was paid in varying amounts until November 2001, when it became \$1,800 per month.
4. The Skull Valley Band maintained a checking account at Zions Bank, Salt Lake City, Utah, for the purpose of conducting tribal business. Checks issued on this account required two signatures.
5. In connection with his duties as Chairman of the Skull Valley Band, Defendant BEAR was a signatory on the Zions Bank account, and as such the monies in this account were entrusted to his custody and care.

The Tapai Project Office

6. The Tapai Project Office was established on or before September 1997 by the Skull Valley Band for the purpose of furthering economic development opportunities for the Band. The Tapai Project Office was located in South Salt Lake City, Utah.
7. Defendant BEAR was the Director of the Tapai Project Office from on or before September 1997.

8. As Director of the Tapai Project Office, Defendant BEAR received a monthly salary payment. This salary was paid in varying amounts until approximately February 2000, when it became \$2,500 per month. This salary was paid in addition to the salary that Defendant BEAR received as Chairman of the Skull Valley Band.

9. The Tapai Project Office maintained a checking account at Bank One in Salt Lake City, Utah, for the purpose of conducting Tapai Project Office business. Checks issued on this account required only one signature.

10. In connection with his duties as Director of the Tapai Project Office, Defendant BEAR was a signatory on the Bank One account, and as such the monies in this account were entrusted to his custody and care.

Business Travel

11. In connection with his duties as Chairman of the Skull Valley Band, Defendant BEAR frequently traveled to various locations for the avowed purpose of attending meetings, conferences, and training. Other officials of the Skull Valley Band occasionally traveled with Defendant BEAR. In connection with this travel, Defendant BEAR and other officials of the Skull Valley Band received reimbursement for lodging, meals, transportation, and other actual expenses.

12. In addition to receiving reimbursement for expenses, Defendant BEAR and other travelers received a "stipend" payment for each trip they made. These stipends were not associated with expenses that were incurred, but instead were issued as a form of additional compensation. Defendant BEAR received these stipends from the Skull Valley Band and from the Tapai Project Office in addition to the salaries he received as Chairman of the Skull Valley Band and Director of the Tapai Project Office.

13. Between on or about February 15, 1999, and on or about August 7, 2001, Defendant BEAR traveled on numerous occasions for the avowed purpose of conducting the business of the Skull Valley Band. On each of these occasions, Defendant BEAR, as well as those who may have traveled with him, received a stipend payment issued on the Zions Bank account.

14. In addition to receiving a stipend payment from the Zions Bank account for each trip, Defendant BEAR issued to himself and received a second, additional stipend payment. Unlike the original stipend payment issued on the Zions Bank account, these duplicative stipend payments were issued on the Bank One account, under the direction of Defendant BEAR. Defendant BEAR therefore received two stipend payments for each trip. No other officials of the Skull Valley Band received a similar second or duplicative stipend.

15. Beginning on or about September 2001, the Skull Valley Band ceased to use both the Zions Bank account and the Bank One account, related to the Tapai Project Office, and instead began to issue checks on an account opened at the Tooele Federal Credit Union in Tooele, Utah. In connection with his duties as Chairman of the Skull Valley Band and Director of the Tapai Project Office, Defendant BEAR was a signatory on the Tooele Federal Credit Union account, and as such the monies in this account were entrusted to his custody and care. Checks issued on this account required two signatures.

16. On or before September 22, 2001, the positions of Tribal Chairman, Vice Chairman and Secretary were filled by three separate individuals. Due to the resignation of the Tribal Secretary on or about September 22, 2001, an election on or about October 13, 2001, replaced the Secretary.

17. Between on or about October 25, 2001, and February 7, 2002, Defendant BEAR issued

and received five separate checks totaling \$6,300 for the avowed purpose of payment for his work as Tribal Secretary.

COUNT 1

18. Paragraphs 1 through 17 are incorporated by reference.

19. Beginning on or about February 15, 1999, and continuing until on or about August 7, 2001, in the Central Division of the District of Utah, the Defendant, LEON D. BEAR, did knowingly embezzle, steal, willfully misapply and willfully permit to be misapplied, and knowingly convert to his own use and the use of others, monies, funds, and assets valued in the approximate amount of \$25,242, belonging to the Skull Valley Band, an Indian tribal organization, through the Tapai Project office; all in violation of 18 U.S.C. § 1163.

COUNT 2

20. Paragraphs 1 through 17 are incorporated by reference.

21. Beginning on or about December 22, 1998, and continuing until on or about March 27, 2003, in the Central Division of the District of Utah, the Defendant, LEON D. BEAR, did knowingly embezzle, steal, willfully misapply and willfully permit to be misapplied, and knowingly convert to his own use and the use of others, monies, funds, and assets in the approximate amount of \$129,409.91, belonging to the Skull Valley Band, an Indian tribal organization, through the Tapai Project Office; all in violation of 18 U.S.C. § 1163.

COUNT 3

22. Paragraphs 1 through 17 are incorporated by reference.

23. Beginning on or about October 25, 2001, and continuing until on or about February 7,

2002, in the Central Division of the District of Utah, the Defendant, LEON D. BEAR, being an agent of the Skull Valley Band, an Indian tribal government, which received for a one-year period beginning October 1, 2001, benefits in excess of \$10,000 under contracts with the Bureau of Indian Affairs, United States Department of the Interior, knowingly and without authority embezzled, stole and obtained by fraud monies in the approximate amount of \$6,300 which monies were owned by and under the care, custody and control of the Skull Valley Band of Goshutes; all in violation of 18 U.S.C. § 666.

COUNT 4

24. Paragraphs 1 through 17 are incorporated by reference.

25. On or about April 15, 2000, in the Central Division of the District of Utah, the Defendant, LEON D. BEAR, knowingly and willfully made and subscribed a U.S. Individual Income Tax Return, Form 1040, which contained, and was verified by, a written declaration that the Return was made under penalties of perjury, and was filed with the Director, Internal Revenue Service Center, at Ogden, Utah, which said Return he did not believe to be true and correct as to every material matter in that the said Federal Income Tax Return claimed that he was "unemployed" and had received no income, when in truth and in fact, as he then and there well knew, he had received approximately \$67,167.51 in income in 1999 from the Skull Valley Band of Goshutes; all in violation of 26 U.S.C. § 7206(1).

COUNT 5

26. Paragraphs 1 through 17 are incorporated by reference.

27. On or about April 15, 2001, in the Central Division of the District of Utah, the Defendant, LEON D. BEAR, knowingly and willfully made and subscribed a U.S. Individual

Income Tax Return, Form 1040, which contained, and was verified by, a written declaration that the Return was made under penalties of perjury, and was filed with the Director, Internal Revenue Service Center, at Ogden, Utah, which said Return he did not believe to be true and correct as to every material matter, that is, on a 2000 Federal Income Tax Return, BEAR claimed that he was “unemploy” and that he had received approximately \$2,016 in income. when in truth and in fact, as he then and there well knew, he had received approximately \$61,902 in additional income in 2000 from the Skull Valley Band of Goshutes; all in violation of 26 U.S.C. § 7206(1).

COUNT 6

28. Paragraphs 1 through 17 are incorporated by reference.

29. On or about April 15, 2002, in the Central Division of the District of Utah, the Defendant, LEON D. BEAR, knowingly and willfully made and subscribed a U.S. Individual Income Tax Return, Form 1040A, which contained, and was verified by, a written declaration that the Return was made under penalties of perjury, and was filed with the Director, Internal Revenue Service Center, at Kansas City, Missouri, and which he did not believe to be true and accurate as to every material matter in that on the 2001 Federal Income Tax Return, BEAR claimed that he was “unemployed” and had received no income, when in truth and in fact, as he then and there well knew, he had received approximately \$63,246 in income in 2001 from the

Skull Valley Band of Goshutes; all in violation of 26 U.S.C. § 7206(1).

A TRUE BILL:


FOREPERSON OF THE GRAND JURY

PAUL M. WARNER
United States Attorney


STANLEY H. OLSEN
Assistant United States Attorney

PAUL M. WARNER, United States Attorney (#3389)
STANLEY H. OLSEN, Assistant United States Attorney(#2466)
GREGORY C DIAMOND, Assistant United States Attorney (#0878)
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FILED IN UNITED STATES DISTRICT
COURT, DISTRICT OF UTAH
DEC 17 2003
BY MARKUS B. ZIMMER, CLERK
DEPUTY CLERK

IN THE UNITED STATES DISTRICT COURT
DISTRICT OF UTAH, CENTRAL DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

vs.

MARLINDA MOON,
SAMMY BLACKBEAR,
MIRANDA WASH, AND
DUNCAN STEADMAN,

Defendants.

INDICTMENT

:

COUNTS 1: Theft from Indian
: Tribal Organization (18 U.S.C. §
1163);

:

COUNTS 2-6: Bank Fraud and Aiding
: and Abetting (18 U.S.C. § 2 and §
1344)

CRIMINAL No.

Judge David K. Winder
DECK TYPE: Criminal
DATE STAMP: 12/17/2003 @ 10:57:50
CASE NUMBER: 2:03CR00990 DKW

The Grand Jury charges:

INTRODUCTION

At all times material to this Indictment:

The Skull Valley Band of Goshute Indians

1. The Skull Valley Band of Goshute Indians (hereafter the Skull Valley Band) was a federally recognized Indian tribe subject to the laws of the United States relating to Indian affairs.
2. LEON D. BEAR was recognized by the Bureau of Indian Affairs, U.S. Department of the Interior, as the duly elected Chairman of the Skull Valley Band.
3. As the Chairman of the Skull Valley Band, LEON D. BEAR had the fiduciary trust and responsibility to hold, protect and expend tribal funds on behalf of the Skull Valley Band.
4. The Skull Valley Band maintained checking accounts at Zions Bank, Bank One and Brighton Bank, Salt Lake City, Utah, for the purpose of conducting tribal business.
5. In connection with his duties as Chairman of the Skull Valley Band, LEON D. BEAR was authorized to sign on the Zions, Bank One and Brighton Bank accounts. The monies in these accounts were entrusted to his custody and care.
6. Defendants Marlinda Moon, Sammy Blackbear and Miranda Wash (hereafter defendant Moon, defendant Blackbear, defendant Wash) were enrolled members of the Skull Valley Band of Goshute Indians. Defendant Duncan Steadman (hereafter defendant Steadman) is a practicing attorney and member of the Utah State Bar Association.
7. On or about May 20, 1997, the Executive committee of the Skull Valley Band of Goshute Indians signed a long-term land lease contract with Private Fuel Storage (PFS) a consortium of nuclear powered utility companies.
8. Defendants Moon, Blackbear and Wash opposed that land lease contract.

SCHEME AND ARTIFICE

9. On or about September 22, 2001, in an effort to take control of tribal funds and tribal activities, a "Special General Council Meeting" was held without the concurrence or presence of the Tribal Chairman, Leon Bear. During the meeting an unauthorized election was held. In this unsanctioned election Defendant Moon was elected Chairperson, Defendant Blackbear was elected vice chairperson, Defendant Wash was elected secretary. Thereafter, Defendants Moon, Blackbear and Wash signed a "Certification of Tribal Election" letter which was then notarized by Defendant Steadman. The U.S. Bureau of Indian Affairs (BIA) did not recognize any change in tribal leadership resulting from the election nor did Moon, Blackbear or Wash have the authority to act on behalf of the tribe.

10. On October 2, 2001, Defendants Moon, Blackbear, Wash and Steadman went to the previously identified banks to obtain funds of the tribe contained within accounts at those banks. They entered Zions bank and on behalf of Defendants Moon, Blackbear and Wash, Defendant Steadman stated he was an attorney and presented the branch manager with the "Certification of Tribal Election" letter, stating there had been a tribal election and that Defendants Moon, Blackbear and Wash had been elected. Based upon statements by the defendants, Zions Bank authorized changes to the tribal accounts and provided \$45,800 in tribal funds by check.

11. On or about October 3, 2001, the check obtained from Zions Bank was deposited into Wells Fargo Bank in the name of "Skull Valley Band of Goshute Indians." This account was controlled by Defendants Moon and Blackbear. Over the next months, Defendants Moon, Blackbear and Wash used the funds in this account for unauthorized purposes. Defendant

Steadman personally received approximately \$11,000.00 of tribal funds.

12. On or about October 3, 2001, Defendants Moon, Blackbear, Wash and Steadman went to Brighton Bank and presented the "Certification of Tribal Election" letter to the branch manager. The branch manager informed the Defendants a court order would be required to access contents of the tribal accounts.

13. On or about October 2, 2001, the defendants went to Bank One, located at 2610 South State Street, Salt Lake City, Utah, where defendants produced the "Certificate of Tribal Election" letter. The defendants requested the manager to open a new account on behalf of the defendants. Consistent with Defendant Steadman's direction, an account in the name of "Skull Valley Band of Goshute Indians" was opened and Defendants Moon, Blackbear and Wash signed the account access cards. After the account was opened, the bank, on the basis of documentation prepared and provided by the Defendants, transferred \$401,872.41 from an account containing tribal funds, into the recently opened account giving Defendants Moon, Blackbear, and Wash unrestricted access to the tribal funds.

14. On or about October 11, 2001, the Defendants returned to Bank One and attempted to withdraw the balance of the funds contained in the newly opened account. When they attempted to remove the money, the branch manager told them that the tribal Chairman and a representative from the BIA had been in the bank recently, stating the election was not valid and demanded the funds be frozen, therefore he would not release any money to Defendants Moon, Blackbear or Wash.

15. On or about October 11, 2001, after leaving Bank One, the Defendants attempted to remove the money by going to another Bank One branch. Defendants Moon, Blackbear, Wash

and Steadman went to another Bank One branch and presented the teller with the "Certification of Tribal Election" letter and withdrew \$250,000 from the account. The Defendants requested a check for \$250,000. After obtaining the check, Defendants Moon, Blackbear, and Wash deposited this \$250,000 check into the Wells Fargo bank account.

16. On October 9, 2001, Defendants Moon, Blackbear, Wash and Steadman obtained a "Court Order" from the "First Federal District Court, Western Region." However, the "First Federal District Court, Western Region" is neither a State nor Federally sanctioned judicial body and has no legal authority.

17. On October 12, 2001, Defendants Moon, Blackbear, Wash and Steadman returned to Brighton Bank. Defendants presented the "First Federal District Court, Western Region" "Court Order" and requested to open new accounts and transfer tribal funds from tribal accounts and deposit them into accounts newly created. These new accounts were to be controlled by Defendants Moon, Blackbear and Wash on behalf of the Skull Valley Band of Goshutes. Based upon what he believed was a legitimate "Court Order" presented and explained to him by Defendant Steadman, the manager approved the creation of two new accounts in the name of the Skull Valley Bank of Goshute Indians. After verifying Defendant Moon and Blackbear's identity, the new accounts associate created the new accounts and witnessed Defendants Moon and Blackbear sign the account access authorization cards. Consistent with instructions by Defendants Moon and Blackbear, \$384,727.80 and \$231.67 were transferred from old tribal accounts into the newly created accounts. Defendants Moon and Blackbear thus had access to the Skull Valley Band of Goshute funds in the newly opened accounts.

18. On or about October 11, 2003, Defendants Moon, Blackbear and Steadman went to

Brighton Bank. Defendants attempted to withdraw funds from the new accounts. Brighton Bank refused to allow the withdrawal based on the unauthorized tribal election.

EMBEZZLEMENT AND THEFT FROM INDIAN TRIBAL ORGANIZATION

19. Paragraphs 1 through 20 are incorporated herein by reference.

COUNT I

20. On or about October 2, 2001, in the Central Division of the District of Utah, the Defendants Marlinda Moon, Sammy Blackbear, Miranda Wash and Duncan Steadman, did knowingly embezzle, steal, willfully misapply and willfully permit to be misapplied and knowingly convert to their own use and the use of another, monies, funds and assets valued at approximately \$45,800.00, belonging to the Skull Valley Band of Goshute Indians, an Indian tribal organization and did aid and abet each other therein; all in violation of 18 U.S.C. §§ 2 and 1163.

BANK FRAUD

21. Paragraphs 1 through 20 are incorporated herein by reference.

COUNT 2

22. On or about October 2, 2001, in the Central Division of the District of Utah, the Defendants, Moon, Blackbear, Wash and Steadman, knowingly executed and attempted to execute a scheme and artifice to defraud Zions Bank, a financial institution, and to obtain monies, funds, credits, and assets, in the approximate amount of \$46,223.44, under the custody and control of that financial institution by means of false and fraudulent pretenses, representations and promises, and did aid and abet each other therein; all in violation of 18 U.S.C. §§ 2 and 1344.

COUNT 3

23. Paragraphs 1 through 20 are incorporated herein by reference.

24. On or about October 2, 2001, in the Central Division of the District of Utah, the Defendants, Moon, Blackbear, Wash and Steadman, knowingly executed and attempted to execute a scheme and artifice to defraud Bank One, a financial institution, and to obtain monies, funds, credits and assets, in the approximate amount of \$401,872.41, under the custody and control of that financial institution by means of false and fraudulent pretenses, representations and promises, and did aid and abet each other therein; all in violation of 18 U.S.C. §§ 2 and 1344.

COUNT 4

25. Paragraphs 1 through 20 are incorporated herein by reference.

26. On or about October 11, 2001, in the Central Division of the District of Utah, the Defendants, Moon, Blackbear, Wash and Steadman, knowingly executed and attempted to execute a scheme and artifice to defraud Bank One, a financial institution, and to obtain monies, funds, credits and assets under the custody and control of that financial institution in the approximate amount of \$401,872.41, by means of false and fraudulent pretenses, representations and promises, and did aid and abet each other therein; all in violation of 18 U.S.C. § 2 and 1344.

COUNT 5

27. Paragraphs 1 through 20 are incorporated herein by reference.

28. On or about October 11, 2001, in the Central Division of the District of Utah, the Defendants, Moon, Blackbear, Wash and Steadman, knowingly executed and attempted to

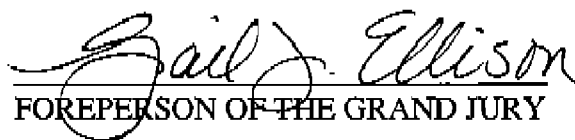
execute a scheme and artifice to defraud a second branch of Bank One, a financial institution, and to obtain monies, funds, credits and assets under the custody and control of that financial institution in the approximate amount of \$250,000, by means of false and fraudulent pretenses, representations and promises, and did aid and abet each other therein; all in violation of 18 U.S.C. § 2 and 1344.

COUNT 6

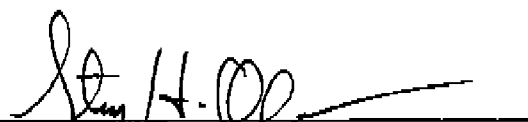
29. Paragraphs 1 through 20 are incorporated herein by reference.

30. On or about October 12, 2001, in the Central Division of the District of Utah, the Defendants, Moon, Blackbear, Wash and Steadman, knowingly and attempted to execute a scheme or artifice to defraud Brighton Bank, a financial institution, and to obtain monies, funds, credits and assets under the custody and control of that financial institution in the approximate amount of \$384,959.47 by means of false and fraudulent pretenses, representations and promises, and did aid and abet each other therein; all in violation of 18 U.S.C. § 2 and 1344.

A TRUE BILL:


FOREPERSON OF THE GRAND JURY

PAUL M. WARNER
United States Attorney


STANLEY H. OLSEN
Assistant United States Attorney