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January 19, 2010 2:01 PM

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U.S. DISTRICT COURT
WESTERN DISTRICT OF MICHIGAN
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UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF MICHIGAN
NORTHERN DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

v.

FREDERICK JAMES PAQUIN and
MARY CHRISTINE CULLEN,

Defendants.

No.

Hon.

2:10-cr-4

Robert Holmes Bell, U.S. District Judge

INDICTMENT

The Grand Jury charges:

COUNT 1

(Conspiracy to Defraud the United States of America by Dishonest Means)

From on or about May 14, 2002, and continuing thereafter until on or about May 1, 2008, in Chippewa County, in the Western District of Michigan, Northern Division, and elsewhere, the defendant,

FREDERICK JAMES PAQUIN,

knowingly and intentionally combined, conspired, confederated, and agreed with Hope Harriet Schlehuder to defraud the United States of America, and an agency thereof, concerning its governmental functions and rights to have its business and its affairs, and particularly the transaction of the official business of the United States Department of Justice's Office of Community Oriented Policing Services, conducted honestly and free from corruption, fraud, dishonesty, unlawful impairment and obstruction, and did an act to effect the object of this conspiracy.

Manner and Means of the Conspiracy

It was an object of the conspiracy that the conspirators would, by deceit, craft, trickery and dishonest means, defraud the United States by (1) obtaining and misapplying Federal grant funds awarded by the United States Department of Justice's Tribal Resources Grant Program to the Law Enforcement Department of the Sault Tribe of Chippewa Indians for the exclusive use of such Department, and (2) by concealing the misapplication of such funds from the United States Department of Justice's Office of Community Oriented Policing Services, a government agency charged with the responsibility of ensuring that such federal grant funds are spent in compliance with the specific terms of such grants, thereby impairing, obstructing and defeating the lawful function of a government agency and department.

Introduction

At all times relevant to the Indictment:

1. The Sault Tribe of Chippewa Indians (hereinafter "the Tribe") is a Federally Recognized Tribe.
2. The Tribe has a membership of approximately 33,000 members. Approximately 13,000 of these members live within the Upper Peninsula of Michigan.
3. The Tribe is governed by a Tribal Board of Directors, which is comprised of twelve members. The members of the Board of Directors are elected from five geographic election units within the Upper Peninsula of Michigan.
4. A Chairperson is elected at large by the voters of the Tribe and serves as a member of the Board of Directors.
5. There exist within the State of Michigan lands that are owned by the Tribe or that

are held in trust by the United States for the use of the Tribe (hereinafter "Indian Lands"). These Indian Lands include the territory of the Tribe near or in the communities of Escanaba, Hessel, Kincheloe, Manistique, Marquette, Newberry, St. Ignace, Sault Ste. Marie, and Wetmore, Michigan.

6. The Tribe owns a number of licensed gaming establishments (hereinafter "casinos") on Indian Lands. All such casinos are operated as Tribal enterprises under the supervision and management of the Tribe's Gaming Authority (hereinafter "the Authority"). (Tribal Code, Chapter 42.)

7. The Authority is responsible for operating and managing these casinos. The Authority is a subordinate organization of the Board of Directors of the Tribe and is an instrumentality of the Tribe, but enjoys autonomous existence. The Authority is managed by the Management Board of the Authority. The Management Board of the Authority consists of all of the members of the Tribe's Board of Directors. (Tribal Code, Chapter 94.)

8. The Tribe owns and operates the following casinos in the Upper Peninsula of Michigan: (a) the Kewadin Casino Hotel & Convention Center in Sault Ste. Marie, (b) the Kewadin Casino in Christmas, (c) the Kewadin Casino in Manistique, (d) the Kewadin Casino in Hessel, (e) the Kewadin Casino in Sault Ste. Marie, and (f) the Kewadin Shores Casino in St. Ignace.

9. The Sault Tribe Law Enforcement Department (hereinafter "Tribal Police Department") is a Department of the Tribe and is a law enforcement agency created, organized, and under the control, auspices and governance of the Tribe.

10. The Tribal Police Department is responsible for enforcement of criminal

provisions of the Tribal Code, the laws of the State of Michigan, and the laws of the United States for offenses occurring on Indian Lands, which include the territory of the Tribe near or in the communities of Escanaba, Hessel, Kincheloe, Manistique, Marquette, Newberry, St. Ignace, Sault Ste. Marie, and Wetmore, Michigan.

11. The Tribal Police Department is also responsible for enforcement of Treaty Fishing Rules and Regulations and Hunting and Inland Fishing Rules and Regulations, which include conservation enforcement on Lake Superior, Lake Huron, and Lake Michigan. (Tribal Code, Chapters 20 and 21.)

12. The Tribal Police Department is also responsible for the operation of the Tribe's Youth Detention Facility in St. Ignace, Michigan.

13. **Frederick James Paquin** (hereinafter "**Paquin**") was appointed the Chief of Police of the Tribal Police Department in September 1997, and held that position through May 2008. He was administratively suspended from August 31, 2007 to March 13, 2008. Although administratively suspended during this time, he continued to interact with members of the Tribal Police Department, received pay as Chief of Police, exercised authority as Chief of Police, and gave direction to members of the Tribal Police Department during this time.

14. **Paquin** was an elected member of the Tribe's Board of Directors from July 1996 to July 2008. As an elected member of the Board of Directors, he also served on the Management Board of the Tribal Gaming Authority during this time.

15. At all times relevant to this Indictment, Hope Harriet Schlehuber (hereinafter "Schlehuber") was employed by the Tribe. She worked as Administrative Assistant to **Paquin** and as Office Manager for the Tribal Police Department. At all times relevant to this Indictment,

she has worked directly under **Paquin**.

16. At all times relevant to this Indictment, the Tribe has sought to supplement its annual budget for law enforcement by seeking and obtaining grant funds from the Tribal Resources Grant Program (hereinafter “the TRGP”), a program administered by the United States Department of Justice’s Office of Community Oriented Policing Services (hereinafter “the COPS Office”).

17. The TRGP is a program designed to meet the most serious needs of law enforcement in Indian communities through a comprehensive grant program. Grants awarded under the TRGP must be used by tribal governments and/or tribal law enforcement agencies to supplement, not replace, state, local, or Bureau of Indian Affairs funds that would be available for law enforcement purposes in the absence of TRGP grant funding.

18. All Federally Recognized Tribes with established police departments are eligible to apply for TRGP grant funding. The Tribe, which is Federally Recognized, has applied for TRGP grants on a number of occasions. Based on these applications, the Tribe has been awarded a number of TRGP grants.

19. The COPS Office maintains oversight of grant funds, in part, by (a) reviewing the purchases reported by a grant recipient to ensure compliance with the terms of the grant, (b) requiring the recipient to provide regular reports (Progress Reports and Financial Status Reports) on its compliance with the terms and conditions of the grant, and (c) obtaining written assurances from a Tribal Law Enforcement Executive / Program Official and a Tribal Government Executive / Financial Official that the terms and conditions of the grant will be complied with.

20. In order to submit an application to receive a grant through the TRGP, an

applicant must provide a document entitled "Certification of Review and Representation of Compliance with Requirements" to the COPS Office. This document must bear the signatures of both the Tribal Law Enforcement Executive / Program Official (commonly the Tribal Chief of Police) and a Tribal Government Executive / Financial Official (commonly the Tribal Chairman). In this document, the above signing officials assure the COPS Office that the applicant will comply with all legal, administrative, and programmatic requirements associated with the grant. This document notes that the signing officials are aware that they may be charged with a crime if they provide a false statement in connection with the TRGP.

21. The application for a grant under the TRGP also notes that the TRGP "is aimed at meeting the most pressing otherwise unfunded law enforcement needs." By signing the grant application, the Law Enforcement Executive certifies that the application requests funding only for equipment, technology, training, and vehicles which would not otherwise be funded in the applying agency's budget.

22. When the COPS Office awards a grant, it provides the recipient with a number of documents including (a) the grant "Award Document," (b) a Final Funding Memorandum, and (c) a copy of COPS *Tribal Resources Grant Program Grant Owner's Manual* for the year of the grant.

23. The Award Document is a one-page, double-sided document indicating the official grant amount, the grant number, the grant conditions, and the award start and end dates. The Award Document must be signed by a "Law Enforcement Official with the Authority to Accept this Grant Award," and a "Government Official with the Authority to Accept this Grant Award." The Award Document states that "[f]alse statements or claims made in connection with

COPS grants may result in fines, imprisonment, debarment from participating in federal grants or contracts, and/or any remedy available by law to the Federal Government.” The reverse side of the Award Document lists conditions that apply to the grant. A standard condition is the requirement that equipment, technology, training, and vehicles funded under a TRGP grant may only be used in law enforcement activities or to perform law enforcement services that exclusively benefit grantee's agency and the population that it serves.

24. The Final Funding Memorandum contains a list of equipment, technology, training, and vehicles that grant funds may be used to acquire. The Final Funding Memorandum also notes the amount of the Federal Share of the grant and the Local Share. A grantee is not allowed to use grant funds for equipment, technology, training, and vehicles not listed in the Final Funding Memorandum.

25. The *COPS Tribal Resources Grant Program Grant Owner's Manual* (hereinafter “the Manual”) is a document that is published annually that discusses the following topics: (a) grant acceptance, terms and conditions, (b) the procurement process to be used, (c) how to access grant funds, (d) record maintenance requirements, (e) audit requirements, (f) reports, and (g) actions to be taken when the grant period has ended. The Manual provides a detailed explanation of allowable and unallowable costs and notes that grant funds must be spent or obligated during the grant period. Grant funds that are not spent or obligated during the grant period are deobligated at the end of the grant period. Obligated funds are (a) those monies that are spent by the grantee, and (b) expenses that the grantee has incurred, but has not yet paid.

26. Prior to accepting any grant from the COPS Office under the TRGP, the Tribe's Board of Directors must pass a resolution indicating its acceptance of the terms of the grant.

27. When the Tribal Police Department orders equipment, technology, training, or vehicles from a vendor, the Tribal Police Department typically obtains an invoice from the vendor when the item is shipped. The Tribal Police Department then submits the invoice along with a disbursement voucher to the Tribe's Accounting Office. This disbursement voucher must reference the accounting code ("cost center") associated with the grant. Each grant is identified by a specific cost center.

28. The Tribe's Accounting Department reviews disbursement vouchers and associated vendor invoices submitted by the Tribal Police Department and determines whether the requested purchases are authorized under the terms of the grant. If the purchase is authorized, the Tribe drafts a check made payable to the vendor for the purchase.

29. The Tribe's Accounting Department maintains oversight of the administration of grants awarded to the Tribe's Police Department under the TRGP, in part, by reviewing the Tribal Police Department's disbursement vouchers and associated invoices to ensure that the requested purchase is authorized under the terms of the grant.

30. The Tribal Police Department is prohibited from carrying credits or positive account balances on its accounts with vendors by Tribal accounting procedures.

31. The Tribal Police Department is the only Tribal Department exempted from the Tribe's requirement that purchases be made directly through the Tribe's Purchasing Department. The Purchasing Department's standard practice is to obtain a purchase order for an item that is being purchased from a vendor, followed by a document from the vendor that indicates the item has been shipped, and finally an invoice from the vendor. This process ensures that the Tribe has received the requested item before payment is made. Because the Tribal Police Department was

not required to make its purchases through the Tribe's Purchasing Department, there was no oversight or check to ensure that the Tribal Police Department had, in fact, received a purchased item.

TRGP Grants

32. The COPS Office awarded TRGP grants to the Tribal Police Department in 2001, 2002, 2003, 2004, 2005, and 2006 with federal shares totaling \$1,103,245.

a. The 2001 grant is identified as TRGP Grant #2001HEWX0042. The Tribal cost center associated with the 2001 grant is 3430. The Federal share of this grant was \$155,890. The grant period ran from August 1, 2001 to January 31, 2003.

b. The 2002 grant is identified as TRGP Grant #2002HEWX0038. The Tribal cost center associated with the 2002 grant is 3412. The Federal share of this grant was \$174,420. The grant period ran from August 1, 2002 to July 31, 2003.

c. The 2003 grant is identified as TRGP Grant #2003HEWX0099. The Tribal cost center associated with the 2003 grant is 2251. The Federal share of this grant was \$214,688. The grant period ran from September 1, 2003 to August 31, 2005.

d. The 2004 grant is identified as TRGP Grant #2004HEWX0029. The Tribal cost center associated with the 2004 grant is 2252. The Federal share of this grant was \$203,792. The grant period ran from September 1, 2004 to June 30, 2006.

e. The 2005 grant is identified as TRGP Grant #2005HEWX0032. The Tribal cost center associated with the 2005 grant is 3413. The Federal share of this grant was \$204,455. The grant period ran from August 1, 2005 to September 30, 2007.

f. The 2006 grant is identified as TRGP Grant #2006HEWX0032. The

Tribal cost center associated with the 2006 grant is 3414. The Federal share of this grant was \$150,000. The grant period ran from August 1, 2006 to July 31, 2008.

33. The Tribe submitted an application for a grant under the 2007 TRGP, but was not awarded a grant that year.

Scheme to Misapply TRGP Grant Funds

34. **Paquin** and Schlehuber created a scheme to transfer funds from TRGP grants to credit accounts maintained by various vendors that were not subject to oversight by the Tribe or the COPS Office, thereby giving **Paquin** the opportunity to use such funds in any way and at any time that he wished without regard to the terms of the TRGP grants from which the funds were obtained.

35. To accomplish this scheme, **Paquin** and Schlehuber obtained false invoices from various vendors that indicated that purchases of equipment and technology had been made by the Tribal Police Department, when, in truth, Paquin and Schlehuber did not intend to purchase and receive such items and such items had not, in fact, been received by the Tribal Police Department. **Paquin** and Schlehuber perpetuated their fraud by submitting these false invoices for items not received to the Tribal Accounting Office along with disbursement vouchers that indicated that funds to pay for these purchases should be drawn from TRGP grant funds awarded to the Tribal Police Department. **Paquin** and Schlehuber also submitted disbursement vouchers that overstated the actual costs of items being purchased. **Paquin** and Schlehuber intentionally did not advise the Tribal Accounting Office that the items had not been delivered or that the price paid for the item was overstated. As a result of **Paquin's** and Schlehuber's fraudulent activity, the Tribe made payments drawn from TRGP grant funds in the amount requested in the

disbursement vouchers. The vendors then assigned credits to the Tribal Police Department's accounts. Funds in these accounts were not subject to oversight by the Tribe or the COPS Office. In bypassing such oversight, **Paquin** was able to violate the terms of the grants in two ways. First, he was able to save up these grant funds and then use these grant funds at any time that he wished, even though the grant periods had expired. Second, he was able to purchase items that were not authorized under the terms of the grants. **Paquin** repeatedly used diverted grant funds for his own personal and political benefit.

36. In addition to shifting TRGP grant funds to accounts that were not subject to oversight by the COPS Office or the Tribe, **Paquin** and Schlehuber made legitimate purchases using TRGP grant funds, but then used the items purchased in a manner that violated the terms of the TRGP grants.

The Vendors

37. **Paquin** and Schlehuber carried out this scheme to defraud the United States by dishonest means primarily, but not exclusively, through transactions involving the following vendors:

- a. El-Com Services, Incorporated: El-Com Services, Inc. is a supplier of communications equipment that is based in Marquette, Michigan.
- b. Galls, Incorporated: Galls, Inc., an Aramark Company, is a supplier of law enforcement equipment and uniforms with multiple retail outlets and an on-line store.
- c. Leitz Sports Center, Incorporated: Leitz Sports Center, Inc. is a retail powersports dealership in Sault Ste. Marie, Michigan. Leitz Sports Center, Inc. sells a wide

variety of motorcycles, all-terrain vehicles, snowmobiles, personal watercraft, and related equipment and accessories.

d. Mackinac Sales, Incorporated: Mackinac Sales, Inc. is a Ford dealership in St. Ignace, Michigan.

e. Medtronic Emergency Response Systems: Medtronic Emergency Response Systems is a manufacturer of automated external defibrillators, which are commonly known as AED's.

f. Michigan Police Equipment Company: Michigan Police Equipment Company is a supplier of police equipment, including firearms, with headquarters in Salt Lake City, Utah, and an on-line store.

g. Nye Uniform Company: Nye Uniform Company is a uniform and equipment supply company with headquarters in Grand Rapids, Michigan.

Creation of Credits in the Tribal Police Department's Accounts at Vendors

38. **Paquin** and **Schlehuber** caused to be made, obtained, and fraudulently submitted the following invoices that document purchases that were not completed:

<u>Invoice No.</u>	<u>Invoice Date</u>	<u>Amount</u>	<u>Vendor</u>
56549853	7/17/03	\$5,319.60	Galls, Inc.
56549985	7/17/03	\$5,339.20	Galls, Inc.
56552020	7/17/03	\$6,859.80	Galls, Inc.
70014	7/22/03	\$5,664.63	Michigan Police Equipment Co.
70015	7/22/03	\$6,950.00	Michigan Police Equipment Co.
34482	7/25/03	\$2,798.00	Nye Uniform Co.
34475	7/30/03	\$3,498.00	Nye Uniform Co.

<u>Invoice No.</u>	<u>Invoice Date</u>	<u>Amount</u>	<u>Vendor</u>
34481	7/30/03	\$480.00	Nye Uniform Co.
56583693	7/30/03	\$4,193.94	Galls, Inc.
56583696	7/30/03	\$995.00	Galls, Inc.
34476	7/31/03	\$1,168.80	Nye Uniform Co.
34479	7/31/03	\$1,890.00	Nye Uniform Co.
078590	1/12/05	\$4,932.00	Nye Uniform Co.
078591	1/12/05	\$3,645.50	Nye Uniform Co.
078592	1/12/05	\$2,820.00	Nye Uniform Co.
078593	1/12/05	\$512.30	Nye Uniform Co.
104170	1/13/05	\$7,850.00	Michigan Police Equipment Co.
104172	1/13/05	\$5,770.25	Michigan Police Equipment Co.
104171	1/14/05	\$9,216.00	Michigan Police Equipment Co.
57514262	1/20/05	\$9,999.41	Galls, Inc.
57514305	1/20/05	\$9,322.81	Galls, Inc.
115---	8/31/05	\$7,989.00	Leitz Sports Center, Inc.
115298	12/13/05	\$1,592.10	Michigan Police Equipment Co.
115295	12/14/05	\$4,170.00	Michigan Police Equipment Co.
115296	12/14/05	\$2,159.10	Michigan Police Equipment Co.
115297	12/14/05	\$972.00	Michigan Police Equipment Co.
115299	12/14/05	\$13,302.00	Michigan Police Equipment Co.
115300	12/14/05	\$809.10	Michigan Police Equipment Co.
115301	12/14/05	\$485.10	Michigan Police Equipment Co.
119965	2/09/06	\$5,418.00	Nye Uniform Co.
119967	2/09/06	\$5,094.00	Nye Uniform Co.
119968	2/09/06	\$9,063.00	Nye Uniform Co.

<u>Invoice No.</u>	<u>Invoice Date</u>	<u>Amount</u>	<u>Vendor</u>
119969	2/09/06	\$900.00	Nye Uniform Co.
116710	2/15/06	\$6,952.50	Michigan Police Equipment Co.
116711	2/15/06	\$6,952.50	Michigan Police Equipment Co.
58194148	2/28/06	\$629.82	Galls, Inc.
58198161	2/28/06	\$531.24	Galls, Inc.
58198175	2/28/06	\$444.24	Galls, Inc.
58198194	2/28/06	\$1,889.82	Galls, Inc.
58198223	2/28/06	\$2,933.82	Galls, Inc.
58198260	2/28/06	\$2,573.64	Galls, Inc.
58198274	2/28/06	\$1,348.74	Galls, Inc.
58198308	2/28/06	\$2,447.64	Galls, Inc.
58198319	2/28/06	\$278.82	Galls, Inc.
58198334	2/28/06	\$278.82	Galls, Inc.
58198342	2/28/06	\$344.88	Galls, Inc.
117831	5/25/06	\$5,030.00	Leitz Sports Center, Inc.
179891	8/20/07	\$784.00	Nye Uniform Co.
179893	8/20/07	\$4,770.00	Nye Uniform Co.
179896	8/20/07	\$2,820.00	Nye Uniform Co.
119453	9/04/07	\$7,858.60	Michigan Police Equipment Co.
119455	9/04/07	\$9,966.00	Michigan Police Equipment Co.
119456	9/04/07	\$8,700.00	Michigan Police Equipment Co.
119584	9/04/07	\$3,358.00	Michigan Police Equipment Co.
184028	9/26/07	\$2,750.00	Nye Uniform Co.
184029	9/26/07	\$7,160.00	Nye Uniform Co.
119460	9/26/07	\$9,985.00	Michigan Police Equipment Co.

<u>Invoice No.</u>	<u>Invoice Date</u>	<u>Amount</u>	<u>Vendor</u>
184168	9/27/07	\$173.10	Nye Uniform Co.

39. Paquin and Schlehuber fraudulently submitted the following Tribal disbursement vouchers along with the aforementioned invoices to the Tribal Accounting Office and requested payments for the payments that were not completed:

<u>Tribal DV No.</u>	<u>Submittal Date</u>	<u>Amount</u>	<u>Source of Associated Invoice</u>	<u>Tribal Cost Center Assigned</u>
115502	7/23/03	\$5,319.60	Galls, Inc.	3412
115503	7/23/03	\$5,339.20	Galls, Inc.	3412
115504	7/23/03	\$6,859.80	Galls, Inc.	3412
115525	7/29/03	\$5,664.63	Michigan Police Equipment Co.	3412
115526	7/29/03	\$9,834.80	Nye Uniform Co.	3412
115527	7/29/03	\$4,193.94	Galls, Inc.	3412
115528	7/29/03	\$995.00	Galls, Inc.	3412
115529	7/29/03	\$6,950.00	Michigan Police Equipment Co.	3412
129275	2/25/05	\$9,999.41	Galls, Inc.	2251
129276	2/25/05	\$9,322.81	Galls, Inc.	2251
129279	2/25/05	\$6,465.50	Nye Uniform Co.	2251
129280	2/25/05	\$5,444.30	Nye Uniform Co.	2251
129283	2/25/05	\$9,216.00	Michigan Police Equipment Co.	2251
129284	2/25/05	\$7,850.00	Michigan Police Equipment Co.	2251
129285	2/25/05	\$5,770.25	Michigan Police Equipment Co.	2251

<u>Tribal DV No.</u>	<u>Submittal Date</u>	<u>Amount</u>	<u>Source of Associated Invoice</u>	<u>Tribal Cost Center Assigned</u>
129499	8/31/05	\$7,989.00	Leitz Sports Center, Inc.	2251
138388	12/31/05	\$4,170.00	Michigan Police Equipment Co.	2252
138389	12/31/05	\$2,159.10	Michigan Police Equipment Co.	2252
138390	12/31/05	\$972.00	Michigan Police Equipment Co.	2252
138391	12/31/05	\$1,529.10	Michigan Police Equipment Co.	2252
138392	12/31/05	\$13,302.00	Michigan Police Equipment Co.	2252
138393	12/31/05	\$809.10	Michigan Police Equipment Co.	2252
138394	12/31/05	\$485.10	Michigan Police Equipment Co.	2252
138436	2/15/06	\$9,063.00	Nye Uniform Co.	2252
138437	2/15/06	\$5,418.00	Nye Uniform Co.	2252
138438	2/15/06	\$5,994.00	Nye Uniform Co.	2252
138440	2/15/06	\$6,952.50	Michigan Police Equipment Co.	2252
138442	2/15/06	\$6,952.50	Michigan Police Equipment Co.	2252
138450	2/28/06	\$3,796.38	Galls, Inc.	2252
138451	2/28/06	\$9,905.10	Galls, Inc.	2252
147651	5/25/06	\$5,030.00	Leitz Sports Center, Inc.	2252
147810	9/13/06	\$5,841.35	Leitz Sports Center, Inc.	3413
150990	8/31/07	\$8,374.00	Nye Uniform Co.	3413

<u>Tribal DV No.</u>	<u>Submittal Date</u>	<u>Amount</u>	<u>Source of Associated Invoice</u>	<u>Tribal Cost Center Assigned</u>
151008	9/12/07	\$29,882.60	Michigan Police Equipment Co.	3413
151019	9/26/07	\$10,435.00	Nye Uniform Co.	3413
151021	9/26/07	\$9,985.00	Michigan Police Equipment Co.	3413
151026	9/27/07	\$173.10	Nye Uniform Co.	3413

40. The Tribe made the following payments using grant funds to the following vendors based on the aforementioned fraudulently documented purchases that were not completed, thereby creating credits in the Tribal Police Department's accounts at these vendors:

- a. Galls, Inc., payments totaling \$55,731.24.
- b. Leitz Sports Center, Inc., payments totaling \$13,019.00.
- c. Michigan Police Equipment Company, payments totaling \$112,712.88.
- d. Nye Uniform Company, payments totaling \$60,676.70.

41. **Paquin** and Schlehuber obtained and submitted the above referenced invoices together with the above referenced fraudulent Tribal disbursement vouchers to the Tribal Accounting Office for the sole purpose of accruing positive account balances, or "credits," with the aforementioned vendors. **Paquin** wrongfully accrued these credits at these vendors, so that he could make purchases for his own personal and political advantage free from oversight by the Tribal Purchasing Department and the COPS Office.

42. Beginning in November 2002 and continuing through September 2007, **Paquin** and Schlehuber obtained 13 invoices from Mackinac Sales, Inc. that indicated that the Tribal

Police Department had purchased 13 new vehicles. **Paquin** and Schlehuber submitted Tribal disbursement vouchers along with these invoices to the Tribal Accounting Office and requested payments totaling \$325,311 for these new vehicles. The prices for these vehicles included approximately \$3,000 per vehicle for the acquisition and installation of police equipment and markings. Mackinac Sales, Inc. arranged to have the police equipment and markings installed for approximately \$1,000 per vehicle. Because the acquisition and installation of the police equipment and markings on these vehicles did not cost as much as anticipated, Mackinac Sales, Inc. assigned the Tribal Police Department credits on its account in the amounts of the overcharges. **Paquin** and Schlehuber did not return the extra funds, which were drawn from TRGP grants, to the Tribe or the COPS Office.

Additional Misuse of Grant Funds and Diversion of Legitimately Purchased Equipment

43. In January 2003, **Paquin** and Schlehuber purchased, and caused to be purchased, radios using funds from TRGP Grant #2001HEWX0042. Under the terms of this grant, these radios were intended for the exclusive use of the Tribal Police Department. **Paquin** and Schlehuber unlawfully diverted, and caused to be diverted, these radios to security officers at some of the Tribe's casinos. The use of equipment purchased with grant funds in this manner violated the express terms of TRGP Grant #2001HEWX0042.

44. Beginning in 2003 and continuing through 2005, **Paquin** and Schlehuber purchased, and caused to be purchased, uniforms and equipment from Galls, Inc. and Nye Uniform Company using funds in the Tribal Police Department accounts, which contained TRGP grant funds. **Paquin** and Schlehuber unlawfully diverted, and caused to be diverted, these uniforms and equipment to security officers at some of the Tribe's casinos. Under the terms of

the TRGP grants, uniforms purchased using grant funds were intended for the exclusive use of the Tribal Police Department. The use of equipment purchased with grant funds in this manner violated the express terms of such grants.

45. In February 2005, **Paquin** and Schlehuber purchased, and caused to be purchased, AED's from Medtronic Emergency Response Systems using grant funds from TRGP Grant #2003HEWX0099. Under the terms of this grant, these AED's were intended for the exclusive use of the Tribal Police Department. **Paquin** and Schlehuber diverted, and caused to be diverted, these AED's to casinos owned by the Tribe's casinos and to a health and fitness club. The use of AED's purchased with grant funds in this manner violated the express terms of TRGP Grant #2003HEWX0099.

46. In May 2005, Paquin fraudulently directed Leitz Sports Center, Inc. to use funds from the Tribal Police Department's account to pay for personal purchases made by **Paquin**. The Tribal Police Department's account at Leitz Sports Center, Inc. contained funds from TRGP grants. The use of TRGP grant funds in this manner violated the express terms of such grants.

47. In July 2005, **Paquin** directed Michigan Police Equipment Company to draft a check for \$5,000 drawn from the Tribal Police Department's account as a contribution toward the Tribal Police Department's Junior Police Academy. This account contained funds from TRGP grants. The use of TRGP grant funds in this manner violated the express terms of such grants.

48. In July 2005, **Paquin** directed Galls, Inc. to draft a check for \$5,319 drawn from the Tribal Police Department's account as a contribution toward the Tribal Police Department's Junior Police Academy. This account contained funds from TRGP grants. The use of TRGP grant funds in this manner violated the express terms of such grants.

49. In July 2006, **Paquin** and Schlehuber purchased, and caused to be purchased, a Honda all-terrain vehicle from Leitz Sports Center, Inc. using funds from the Tribal Police Department's account. This account contained funds from TRGP grants. This all-terrain vehicle was to be used in a Tribal raffle. The use of TRGP grant funds in this manner violated the express terms of such grants.

50. During 2007, one of **Paquin's** relatives leased a new vehicle from Mackinac Sales, Inc. In June 2007, Paquin directed Mackinac Sales, Inc. to use \$2,457 from the Tribal Police Department's account as partial payment for acquisition of this new leased vehicle. The Tribal Police Department's account at Mackinac Sales, Inc. contained funds from TRGP grants. The use of TRGP grant funds in this manner violated the express terms of such grants.

Overt Acts in Furtherance of the Conspiracy

In furtherance of the conspiracy and to effect the objects thereof, at least one member of the conspiracy did perform, among other things, at least one of the following overt acts in the Western District of Michigan:

51. On February 25, 2005, **Paquin** and Schlehuber submitted Tribal disbursement voucher 129275, which was signed by **Paquin**, along with Galls, Inc. invoice 57514262, to the Tribal Accounting Office, thereby fraudulently requesting payment of \$9,999.41 to Galls, Inc. for a purchase of jackets and pants that was not completed and was never intended to be completed. Tribal disbursement voucher 129275 indicated that funds to pay for this purchase were to be drawn from TRGP Grant #2003HEWX0099.

52. On February 25, 2005, **Paquin** and Schlehuber submitted Tribal disbursement voucher 129279, which was signed by **Paquin**, along with Nye Uniform Company invoices

078591 and 078592, to the Tribal Accounting Office, thereby fraudulently requesting payment of \$6,465.50 to Nye Uniform Company for purchases of shirts, pants, boots, and shoes that were not completed and never intended to be completed. Tribal disbursement voucher 129279 indicated that funds to pay for these purchases were to be drawn from TRGP Grant #2003HEWX0099.

53. On February 25, 2005, **Paquin** and Schlehuber submitted Tribal disbursement voucher 129284, which was signed by **Paquin**, along with Michigan Police Equipment Company invoice 104170, to the Tribal Accounting Office, thereby fraudulently requesting payment of \$7,850.00 to Michigan Police Equipment Company for a purchase of 10 “Haz-Mat suits” that was not completed and never intended to be completed. Tribal disbursement voucher 129284 indicated that funds to pay for this purchase were to be drawn from TRGP Grant #2003HEWX0099.

54. In August 2005, Schlehuber, at **Paquin’s** direction, obtained an invoice from Leitz Sports Center, Inc., (invoice 115---) that indicated that the Tribal Police Department had purchased a Garmin mapping system. This invoice is dated August 31, 2005, and lists a total cost of \$7,989. This purchase was not completed and was never intended to be completed.

55. On August 31, 2005, **Paquin** and Schlehuber submitted Tribal disbursement voucher 129499, which was signed by **Paquin**, along with Leitz Sports Center, Inc. invoice 115---, to the Tribal Accounting Office, thereby fraudulently requesting payment of \$7,989 to Leitz Sports Center, Inc. for a purchase of a Garmin mapping system that was not completed and never intended to be completed. Tribal disbursement voucher 129499 indicated that funds to pay for this purchase were to be drawn from TRGP Grant #2003HEWX0099.

56. In February 2006, Schlehuber, at **Paquin's** direction, obtained an invoice from Nye Uniform Company (invoice number 119968) that indicated that the Tribal Police Department had purchased coats, jackets, and pants. This invoice is dated February 9, 2006 and lists a total cost of \$9,063.00. This purchase was not completed and was never intended to be completed.

57. On February 15, 2006, **Paquin** and Schlehuber submitted Tribal disbursement voucher 138436, which was signed by **Paquin**, along with Nye Uniform Company invoice number 119968, to the Tribal Accounting Office, thereby fraudulently requesting payment of \$9,063.00 to Nye Uniform Company for a purchase of coats, jackets, and pants that was not completed and never intended to be completed. Tribal disbursement voucher 138436 indicated that funds to pay for this purchase were to be drawn from TRGP Grant #2004HEWX0029.

58. In February 2006, Schlehuber, at **Paquin's** direction, obtained an invoice from Michigan Police Equipment Company (invoice number 116710) that indicated that the Tribal Police Department had purchased 9 "Haz-Mat suits." This invoice is dated February 15, 2006 and lists a total cost of \$6,952.50. This purchase was not completed and was never intended to be completed.

59. On February, 15, 2006, **Paquin** and Schlehuber submitted Tribal disbursement voucher 138440, which was signed by **Paquin**, along with Michigan Police Equipment Company invoice number 116710, to the Tribal Accounting Office, thereby fraudulently requesting payment of \$6,952.50 to Michigan Police Equipment Company for a purchase of 9 "Haz-Mat suits" that was not completed and never intended to be completed. Tribal disbursement voucher

138440 indicated that funds to pay for this purchase were to be drawn from TRGP Grant #2004HEWX0029.

60. In May 2006, Schlehuber, at **Paquin's** direction, obtained an invoice from Leitz Sports Center, Inc. (invoice number 117831) that indicated that the Tribal Police Department had purchased a Garmin radar system. This invoice is dated May 25, 2006 and lists a total cost of \$5,030.00. This purchase was not completed and was never intended to be completed.

61. On May 25, 2006, **Paquin** and Schlehuber submitted Tribal disbursement voucher 147651, which was signed by **Paquin**, along with Leitz Sports Center, Inc. invoice numbers 117831 and 117832, totaling \$6,444.00 to the Tribal Accounting Office, thereby fraudulently requesting payment of \$5,030.00 to Leitz Sports Center, Inc. for a purchases of a Garmin radar system that was not completed and never intended to be completed. This Tribal disbursement voucher also requested payment for a Honda generator and light kit that were received. Tribal disbursement voucher 147651 indicated that funds to pay for this purchase were to be drawn from TRGP Grant #2004HEWX0029.

62. In September 2007, Schlehuber, at **Paquin's** direction, obtained an invoice from Michigan Police Equipment Company (invoice 119460) that indicated that the Tribal Police Department had purchased various items of clothing. This invoice is dated September 26, 2007, and lists a total cost of \$9,985.00. This purchase was not completed and was never intended to be completed.

63. On September 26, 2007, Schlehuber, at **Paquin's** direction, submitted Tribal disbursement voucher 151021, along with Michigan Police Equipment Company invoice 119460, to the Tribal Accounting Office, thereby fraudulently requesting payment of \$9,985.00 to

Michigan Police Equipment Company for a purchase of various items of clothing that was not completed and never intended to be completed. Tribal disbursement voucher 151021 indicated that funds to pay for this purchase were to be drawn from TRGP Grant #2005HEWX0032.

64. In February 2005, **Paquin** and Schlehuber purchased, and caused to be purchased, AED's from Medtronic Emergency Response Systems using grant funds from TRGP Grant #2003HEWX0099, and then provided, and caused to be provided, these AED's to casinos owned by the Tribe and a health and fitness club, in violation of the express terms of TRGP Grant #2003HEWX0099.

65. On May 30, 2005, May 24, 2006, and June 5, 2007, **Paquin** and Schlehuber filed, and caused to be filed, applications for TRGP grants, knowing that such applications contained false statements regarding the Tribal Police Department's need for TRGP funding.

18 U.S.C. § 371

COUNT 2
(Conspiracy to Embezzle and Steal More Than \$1,000 From an Indian Tribal Organization)

Paragraphs 1 through 65 of Count 1 of this indictment are incorporated by reference as if fully stated herein, and the following is further alleged:

From on or about May 14, 2002, and continuing thereafter until on or about May 1, 2008, in Chippewa County, in the Western District of Michigan, Northern Division, and elsewhere, the defendant,

FREDERICK JAMES PAQUIN,

knowingly and intentionally combined, conspired, confederated, and agreed with Hope Harriet Schlehuber to embezzle, steal, knowingly convert to their use and the use of another, willfully misapply, and willfully permit to be misapplied, moneys, funds, credits, goods, assets, and other property worth in excess of \$1,000 belonging to the Law Enforcement Department of the Sault Tribe of Chippewa Indians and intrusted to the custody and care of an officer, employee, and agent of such Indian Tribal organization.

18 U.S.C. § 371
18 U.S.C. § 1163

COUNT 3
(Theft From Program Receiving Federal Funds)

In February 2005, in Chippewa County, in the Western District of Michigan, Northern Division, and elsewhere, the defendant,

FREDERICK JAMES PAQUIN,

who was at all times relevant to this offense the Chief of Police of the Law Enforcement Department of the Sault Tribe of Chippewa Indians, and, as such, was an agent of an Indian tribal government, embezzled, stole, obtained by fraud, without authority knowingly converted to the use of any person other than the rightful owner, and intentionally misapplied, property that (i) was valued at \$5,000 or more, and (ii) that was owned by, and under the care, custody, and control of, the Sault Tribe of Chippewa Indians, and the Sault Tribe of Chippewa Indians received, in the twelve months before the commission of such offense or in the twelve months after the commission of such offense, benefits in excess of \$10,000 under a Federal program involving a grant, to wit: **Paquin** obtained defibrillators valued at \$5,000 or more that were purchased with grant funds from the United States Department of Justice's Tribal Resources Grant Program Grant Number 2003HEWX0099, for the exclusive use of the Law Enforcement Department of the Sault Tribe of Chippewa Indians, and provided such defibrillators to casinos owned by the Sault Tribe of Chippewa Indians and a health and fitness club, and counseled, commanded, and induced another to obtain and provide such defibrillators to such casinos and health and fitness club.

18 U.S.C. § 666(a)(1)(A)
18 U.S.C. § 2(a)

COUNT 4

(Embezzlement and Theft of More Than \$1,000 From an Indian Tribal Organization)

In February 2005, in Chippewa County, in the Western District of Michigan, Northern Division, and elsewhere, the defendant,

FREDERICK JAMES PAQUIN,

who was at all times relevant to this offense the Chief of Police of the Law Enforcement Department of the Sault Tribe of Chippewa Indians, embezzled, stole, knowingly converted to the use of another, willfully misapplied, and willfully permitted to be misapplied, goods, assets, and other property worth in excess of \$1,000 belonging to the Law Enforcement Department of the Sault Tribe of Chippewa Indians and intrusted to the custody or care of an officer, employee, or agent of the Sault Tribe of Chippewa Indians, to wit: **Paquin** obtained defibrillators valued at \$1,000 or more that were purchased with grant funds from the United States Department of Justice's Tribal Resources Grant Program Grant Number 2003HEWX0099, for the exclusive use of the Law Enforcement Department of the Sault Tribe of Chippewa Indians, and provided such defibrillators to casinos owned by the Sault Tribe of Chippewa Indians and a health and fitness club, and counseled, commanded, and induced another to obtain and provide such defibrillators to such casinos and health and fitness club.

18 U.S.C. § 1163

18 U.S.C. § 2(a)

COUNT 5
(Embezzlement and Theft from an Indian Tribal Organization)

In May 2005, in Chippewa County, in the Western District of Michigan, Northern Division, and elsewhere, the defendant,

FREDERICK JAMES PAQUIN,

who was at all times relevant to this offense the Chief of Police of the Law Enforcement Department of the Sault Tribe of Chippewa Indians, embezzled, stole, knowingly converted to his use, willfully misapplied, and willfully permitted to be misapplied, the moneys, funds, and credits belonging to the Law Enforcement Department of the Sault Tribe of Chippewa Indians and intrusted to the custody or care of an officer, employee, or agent of the Sault Tribe of Chippewa Indians, to wit: **Paquin** used funds in the account of the Law Enforcement Department of the Sault Tribe of Chippewa Indians at Leitz Sports Center, Inc. to pay for personal purchases he made at Leitz Sports Center, Inc.

18 U.S.C. § 1163

COUNT 6

(Embezzlement and Theft of More Than \$1,000 From an Indian Tribal Organization)

In July 2006, in Chippewa County, in the Western District of Michigan, Northern Division, and elsewhere, the defendant,

FREDERICK JAMES PAQUIN,

who was at all times relevant to this offense the Chief of Police of the Law Enforcement Department of the Sault Tribe of Chippewa Indians, embezzled, stole, knowingly converted to his use, willfully misapplied, and willfully permitted to be misapplied, in excess of \$1,000 of moneys, funds, and credits belonging to the Law Enforcement Department of the Sault Tribe of Chippewa Indians and intrusted to the custody or care of an officer, employee, or agent of the Sault Tribe of Chippewa Indians, to wit: **Paquin**, without permission and authority, used \$4,654 of funds in the account of the Law Enforcement Department of the Sault Tribe of Chippewa Indians at Leitz Sports Center, Inc., which included funds improperly obtained from various Tribal Resource Grant Program grants, to purchase an all-terrain vehicle that was then raffled in a fund-raising event for said Law Enforcement Department's Junior Police Academy, when such use of grant funds would not have been authorized under such Tribal Resource Grant Program grants, and counseled, commanded, and induced another to use such grant funds in such manner.

18 U.S.C. § 1163

18 U.S.C. § 2(a)

COUNT 7

(Embezzlement and Theft of More Than \$1,000 From an Indian Tribal Organization)

In July 2007, in Chippewa County, in the Western District of Michigan, Northern Division, and elsewhere, the defendant,

FREDERICK JAMES PAQUIN,

who was at all times relevant to this offense the Chief of Police of the Law Enforcement Department of the Sault Tribe of Chippewa Indians, embezzled, stole, knowingly converted to his use, willfully misapplied, and willfully permitted to be misapplied, in excess of \$1,000 of moneys, funds, and credits belonging to the Law Enforcement Department of the Sault Tribe of Chippewa Indians and intrusted to the custody or care of an officer, employee, or agent of the Sault Tribe of Chippewa Indians, to wit: **Paquin**, without permission and authority, used funds in the account of the Law Enforcement Department of the Sault Tribe of Chippewa Indians at Mackinac Sales, Inc., which included funds improperly obtained from various Tribal Resource Grant Program grants, to pay \$2,457 toward the acquisition of a new leased vehicle from Mackinac Sales, Inc. by **Paquin's** relative, when such use of grant funds from such Tribal Resource Grant Program grants would not have been authorized under such Tribal Resource Grant Program grants, and counseled, commanded, and induced another to use such funds in such manner.

18 U.S.C. § 1163

18 U.S.C. § 2(a)

COUNT 8
(Making and Using a False Writing or Document)

On or about May 30, 2005, in Chippewa County, in the Northern Division of the Western District of Michigan, the defendant,

FREDERICK JAMES PAQUIN,

in a matter within the jurisdiction of the executive branch of the Government of the United States, knowingly and willfully made and used, and counseled, commanded and induced the making and use of, a false writing or document knowing the same to contain a materially false, fictitious, and fraudulent statement or entry, to wit: **Paquin** filed, and counseled, commanded and induced the filing of, an application for a grant under the 2005 Tribal Resources Grant Program that stated that the Law Enforcement Department of the Sault Tribe of Chippewa Indians had serious unmet financial needs and would not be able to purchase any of the requested uniforms and equipment without the awarding of the requested grant, when **Paquin** knew (a) that such Law Enforcement Department, in fact, had funds available to it at numerous vendors, (b) that such Law Enforcement Department had not been able to spend all the grant funds awarded to it under the 2003 and 2004 Tribal Resources Grant Programs within the designated grant periods, and (c) that such Law Enforcement Department had provided uniforms and equipment purchased using grant funds to entities other than such Law Enforcement Department, in violation of the express terms of such grants.

18 U.S.C. § 1001(a)(3)

18 U.S.C. § 2(a)

COUNT 9
(Making and Using a False Writing or Document)

On or about March 6, 2006, in Chippewa County, in the Northern Division of the Western District of Michigan, the defendant,

FREDERICK JAMES PAQUIN,

in a matter within the jurisdiction of the executive branch of the Government of the United States, knowingly and willfully made and used, and counseled, commanded and induced the making and use of, a false writing or document knowing the same to contain a materially false, fictitious, and fraudulent statement or entry, to wit: **Paquin** filed, and counseled, commanded and induced the filing of, a false final Financial Status Report related to Tribal Resource Grant Program Grant Number 2003HEWX0099, in that such report (a) falsely stated the total outlays and unliquidated obligations under such grant, (b) falsely certified that such Financial Status Report was correct, and (c) falsely stated that all outlays and unliquidated obligations were for the purposes set forth in such grant's award documents.

18 U.S.C. § 1001(a)(3)

18 U.S.C. § 2(a)

COUNT 10
(Making and Using a False Writing or Document)

On or about May 24, 2006, in Chippewa County, in the Northern Division of the Western District of Michigan, the defendant,

FREDERICK JAMES PAQUIN,

in a matter within the jurisdiction of the executive branch of the Government of the United States, knowingly and willfully made and used, and counseled, commanded and induced the making and use of, a false writing or document knowing the same to contain a materially false, fictitious, and fraudulent statement or entry, to wit: **Paquin** filed, and counseled, commanded and induced the filing of, an application for a grant under the 2006 Tribal Resources Grant Program that stated that the Law Enforcement Department of the Sault Tribe of Chippewa Indians had serious unmet financial needs and would not be able to purchase any of the requested uniforms and equipment without the awarding of the requested grant, when **Paquin** knew (a) that such Law Enforcement Department, in fact, had funds available to it at numerous vendors, (b) that such Law Enforcement Department had not been able to spend all the grant funds awarded to it under the 2003, 2004, and 2005 Tribal Resources Grant Programs within the designated grant periods, and (c) that such Law Enforcement Department had provided uniforms and equipment purchased using grant funds to entities other than such Law Enforcement Department, in violation of the express terms of such grants.

18 U.S.C. § 1001(a)(3)

18 U.S.C. § 2(a)

COUNT 11
(Making and Using a False Writing or Document)

On or about July 18, 2006, in Chippewa County, in the Northern Division of the Western District of Michigan, the defendant,

FREDERICK JAMES PAQUIN,

in a matter within the jurisdiction of the executive branch of the Government of the United States, knowingly and willfully made and used, and counseled, commanded and induced the making and use of, a false writing or document knowing the same to contain a materially false, fictitious, and fraudulent statement or entry, to wit: **Paquin** filed, and counseled, commanded and induced the filing of, a false final Financial Status Report related to Tribal Resource Grant Program Grant Number 2004HEWX0029, in that such report (a) falsely stated the total outlays and unliquidated obligations under such grant, (b) falsely certified that such Financial Status Report was correct, and (c) falsely stated that all outlays and unliquidated obligations were for the purposes set forth in such grant's award documents.

18 U.S.C. § 1001(a)(3)

18 U.S.C. § 2(a)

COUNT 12
(Making and Using a False Writing or Document)

On or about June 5, 2007, in Chippewa County, in the Northern Division of the Western District of Michigan, the defendant,

FREDERICK JAMES PAQUIN,

in a matter within the jurisdiction of the executive branch of the Government of the United States, knowingly and willfully made and used, and counseled, commanded and induced the making and use of, a false writing or document knowing the same to contain a materially false, fictitious, and fraudulent statement or entry, to wit: **Paquin** filed, and counseled, commanded and induced the filing of, an application for a grant under the 2007 Tribal Resources Grant Program that stated that the Law Enforcement Department of the Sault Tribe of Chippewa Indians had serious unmet financial needs and would not be able to purchase any of the requested uniforms and equipment without the awarding of the requested grant, when **Paquin** knew (a) that such Law Enforcement Department, in fact, had funds available to it at numerous vendors, and (b) that such Law Enforcement Department had not been able to spend all the grant funds awarded to it under the 2003, 2004, 2005, and 2006 Tribal Resources Grant Programs within the designated grant periods, and (c) that such Law Enforcement Department had provided uniforms and equipment purchased using grant funds to entities other than such Law Enforcement Department, in violation of the express terms of such grants.

18 U.S.C. § 1001(a)(3)
18 U.S.C. § 2(a)

COUNT 13
(Conspiracy to Embezzle and Steal More Than \$1,000 From an Indian Tribal Organization)

From about September 5, 2004, and continuing thereafter until on or about May 1, 2008, in the Western District of Michigan, Northern Division, the defendants,

**FREDERICK JAMES PAQUIN and
MARY CHRISTINE CULLEN,**

knowingly and intentionally combined, conspired, confederated, and agreed with each other and Hope Harriet Schlehuber to embezzle, steal, knowingly convert to his and her own use and the use of another, willfully misapply, and willfully permit to be misapplied, in excess of \$1,000 of moneys, funds, and credits belonging to the Sault Tribe of Chippewa Indians and intrusted to the custody or care of any officer, employee, or agent of such Indian tribal organization.

Introduction

At all times relevant to this Indictment:

1. This charge incorporates all allegations included in the Introduction to Count 1 of this Indictment.
2. **Frederick James Paquin** was, at all times relevant to this Indictment, the Chief of Police of the Law Enforcement Department (hereinafter "the Tribal Police Department") of the Sault Tribe of Chippewa Indians (hereinafter "the Tribe"). As the Chief of Police of the Tribal Police Department, **Paquin** had control over the hiring and terminating of employees of the Tribal Police Department.
3. **Mary Christine Cullen** was the daughter of **Paquin**.

4. On or about January 22, 2001, **Paquin** exercised his authority as Chief of Police of the Tribal Police Department and hired **Cullen** as a full-time employee of the Tribal Police Department.

5. **Cullen** was employed as a dispatcher for the Tribal Police Department. She worked in the Tribal Police Department's headquarters on Shunk Road in Sault Ste. Marie, Michigan. **Cullen's** supervisor was Hope Harriet Schlehuber. As dispatcher, **Cullen's** responsibilities included (a) taking calls from members of the Tribe, (b) communicating with Tribal Police Department officers, and (c) completing required reports relating to fish and game taken by Tribal members.

6. While an employee of the Tribal Police Department, **Cullen** was also a student at Lake Superior State University. Her major was elementary education. She was awarded a bachelor of science degree in August 2004. In order to obtain a provisional teaching certificate in the State of Michigan, **Cullen** had to complete a number of additional requirements, including two semesters in a teaching internship program.

7. In September 2004, **Cullen** began a full-time teaching internship with a collaborating teacher at the Gros Cap Public Elementary School in St. Ignace, Michigan. When this program began, she stopped working as a dispatcher at the Tribal Police Department's headquarters in Sault Ste. Marie, Michigan. Thereafter, **Cullen** occasionally provided a few hours of assistance at the Tribal Police Department's Youth Detention Facility in St. Ignace, Michigan. However, she no longer worked as a full-time employee of the Tribal Police Department.

8. Despite being a full-time student teacher, **Cullen** continued to receive her full-time salary from the Tribal Police Department. **Paquin** was well aware of the fact that his daughter was a full-time student teacher in St. Ignace. **Paquin** was also aware that **Cullen** was not working full-time at the Tribal Police Department's headquarters in Sault Ste. Marie or at the Tribal Police Department's Youth Detention Facility in St. Ignace. **Paquin**, being fully aware that **Cullen** was not working full-time for the Tribal Police Department, or otherwise fulfilling her time and attendance responsibilities to the Tribal Police Department because of her full-time status as a student teacher, exercised his unchallenged authority as Chief of Police and wrongfully and fraudulently maintained **Cullen** on the Tribal Police Department's payroll.

Embezzlement and Theft of Tribal Funds

9. The defendant **Mary Christine Cullen** continued to receive pay as a full-time dispatcher for the Tribal Police Department from September 1, 2004, through April 30, 2005, even though she was then working as a full-time student teacher at the Gros Cap School in St. Ignace, Michigan. **Cullen** received approximately \$21,000 in pay from the Tribe during this time period.

Overt Acts in Furtherance of the Conspiracy

10. In furtherance of the conspiracy and to effect the objects thereof, at least one member of the conspiracy did perform, among other things, at least one of the following overt acts in the Western District of Michigan:

11. On or shortly after January 22, 2005, Schlehuber, at **Paquin's** direction, knowingly entered the following false hours for **Cullen** in the Tribe's automated time and

attendance tracking software for the pay period from January 9, 2005 through January 22, 2005:
72 regular hours and 8 sick hours.

12. On or shortly after February 5, 2005, Schlehuber, at **Paquin's** direction, knowingly entered the following false hours for **Cullen** in the Tribe's automated time and attendance tracking software for the pay period from January 23, 2005 through February 5, 2005:
72 regular hours and 8 sick hours.

13. On or shortly after February 19, 2005, Schlehuber, at **Paquin's** direction, knowingly entered the following false hours for **Cullen** in the Tribe's automated time and attendance tracking software for the pay period from February 6, 2005 through February 19, 2005: 72 regular hours and 8 sick hours.

14. On or shortly after March 5, 2005, Schlehuber, at **Paquin's** direction, knowingly entered the following false hours for **Cullen** in the Tribe's automated time and attendance tracking software for the pay period from February 20, 2005 through March 5, 2005: 72 regular hours and 8 sick hours.

15. On or shortly after March 19, 2005, Schlehuber, at **Paquin's** direction, knowingly entered the following false hours for **Cullen** in the Tribe's automated time and attendance tracking software for the pay period from March 6, 2005 through March 19, 2005: 72 regular hours and 8 sick hours.

16. On or shortly after April 2, 2005, Schlehuber, at **Paquin's** direction, knowingly entered the following false hours for **Cullen** in the Tribe's automated time and attendance tracking software for the pay period from March 20, 2005 through April 2, 2005: 68 regular hours, 8 sick hours, and 4 holiday hours.

17. On or shortly after April 16, 2005, Schlehuber, at **Paquin's** direction, knowingly entered the following false hours for **Cullen** in the Tribe's automated time and attendance tracking software for the pay period from April 3, 2005 through April 16, 2005: 72 regular hours and 8 sick hours.

18. On or shortly after April 30, 2005, Schlehuber, at **Paquin's** direction, knowingly entered the following false hours for **Cullen** in the Tribe's automated time and attendance tracking software for the pay period from April 17, 2005 through April 30, 2005: 72 regular hours and 8 sick hours.

18 U.S.C. § 371
18 U.S.C. § 1163

COUNT 14
(Theft From Program Receiving Federal Funds)

From about September 1, 2004, and continuing thereafter until on or about April 30, 2005, in the Western District of Michigan, Northern Division, the defendant,

FREDERICK JAMES PAQUIN,

who was at all times relevant to this offense the Chief of Police of the Law Enforcement Department of the Sault Tribe of Chippewa Indians, and, as such, was an agent of an Indian tribal government, embezzled, stole, obtained by fraud, without authority knowingly converted to the use of any person other than the rightful owner, and intentionally misapplied, property (i) that was valued at \$5,000 or more, and (ii) that was owned by, and under the care, custody, and control of the Sault Tribe of Chippewa Indians, and the Sault Tribe of Chippewa Indians received, in the twelve months before the commission of such offense or in the twelve months after the commission of such offense, benefits in excess of \$10,000 under a Federal program involving a grant, to wit: **Paquin** counseled, commanded, and induced Hope Harriet Schlehuder to enter false information on the Sault Tribe of Chippewa Indians' automated time and attendance tracking software that indicated that **Cullen** was working as a full-time employee of the Law Enforcement Department when, in fact, **Cullen** was no longer working full-time for such Law Enforcement Department, thereby causing the Sault Tribe of Chippewa Indians to pay **Cullen** approximately \$21,000 as a full-time employee of the Sault Tribe of Chippewa Indians.

18 U.S.C. § 666(a)(1)(A)

18 U.S.C. § 2(a)

COUNT 15

(Embezzlement and Theft of More Than \$1,000 From an Indian Tribal Organization)

From about September 1, 2004, and continuing thereafter until on or about April 30, 2005, in the Western District of Michigan, Northern Division, the defendant,

FREDERICK JAMES PAQUIN,

who was at all times relevant to this offense the Chief of Police of the Law Enforcement Department of the Sault Tribe of Chippewa Indians, embezzled, stole, knowingly converted to the use of another, willfully misapplied, and willfully permitted to be misapplied, more than \$1,000 of moneys, funds, and credits belonging to the Sault Tribe of Chippewa Indians and intrusted to the custody or care of an officer, employee, or agent of the Sault Tribe of Chippewa Indians, to wit: **Paquin** counseled, commanded, and induced Hope Harriet Schlehuder to enter false information on the Sault Tribe of Chippewa Indians' automated time and attendance tracking software that indicated that **Cullen** was working as a full time employee of the Law Enforcement Department when, in fact, **Cullen** was no longer working full-time for such Law Enforcement Department, thereby causing the Sault Tribe of Chippewa Indians to pay **Cullen** \$21,000 as a full-time employee of the Sault Tribe of Chippewa Indians.

18 U.S.C. § 1163

18 U.S.C. § 2(a)

COUNT 16

(Embezzlement and Theft of More Than \$1,000 From an Indian Tribal Organization)

From about September 1, 2004, and continuing thereafter until on or about April 30, 2005, in the Western District of Michigan, Northern Division, the defendant,

MARY CHRISTINE CULLEN,

knowing that more than \$1,000 of moneys, funds, and credits belonging to the Sault Tribe of Chippewa Indians and intrusted to the custody or care of an officer, employee, or agent of the Sault Tribe of Chippewa Indians had been embezzled, stolen, knowingly converted to the use of another, willfully misapplied, and willfully permitted to be misapplied, received, concealed, and retained the same with intent to convert it to her use.

18 U.S.C. § 1163

COUNT 17

(Making a Materially False, Fictitious and Fraudulent Statement and Representation)

On or about March 28, 2008, in Chippewa County, in the Northern Division of the Western District of Michigan, the defendant,

MARY CHRISTINE CULLEN,

in a matter within the jurisdiction of the executive branch of the Government of the United States, knowingly and willfully made a materially false, fraudulent and fictitious statement and representation, to wit: **Cullen** falsely stated to investigators from the Federal Bureau of Investigation and the Bureau of Indian Affairs that during the 2004/2005 school year, in addition to working full-time in a teaching internship program at the Gros Cap School in St. Ignace, Michigan, she also worked full time, averaging 8 hours per day, as an employee of the Law Enforcement Department of the Sault Tribe of Chippewa Indians, when she then and there knew that she had not been working as a full-time employee of the Law Enforcement Department of the Sault Tribe of Chippewa Indians during the 2004/2005 school year.

18 U.S.C. § 1001(a)(2)

COUNT 18

(Making a Materially False, Fictitious and Fraudulent Statement and Representation)

On or about May 1, 2008, in Chippewa County, in the Northern Division of the Western District of Michigan, the defendant,

MARY CHRISTINE CULLEN,

in a matter within the jurisdiction of the executive branch of the Government of the United States, knowingly and willfully made a materially false, fraudulent and fictitious statement and representation, to wit: she falsely stated to investigators from the Federal Bureau of Investigation that during the 2004/2005 school year, in addition to working full time in a teaching internship program at the Gros Cap School in St. Ignace, Michigan, **Cullen** also worked full time, averaging 8 hours per day, as an employee of the Law Enforcement Department of the Sault Tribe of Chippewa Indians, when she then and there knew, in fact and in truth, that she had not been working as a full-time employee of the Law Enforcement Department of the Sault Tribe of Chippewa Indians during the 2004/2005 school year.

18 U.S.C. § 1001(a)(2)

COUNT 19

(Embezzlement and Theft of More Than \$1,000 From an Indian Tribal Organization)

On or about December 21, 2005, in Chippewa County, in the Western District of Michigan, Northern Division, and elsewhere, the defendant,

FREDERICK JAMES PAQUIN,

who was at all times relevant to this offense the Chief of Police of the Law Enforcement Department of the Sault Tribe of Chippewa Indians, embezzled, stole, knowingly converted to the use of another, willfully misapplied, and willfully permitted to be misapplied, the moneys, funds, credits, goods, assets, and other property worth more than \$1,000 belonging to the Law Enforcement Department of the Sault Tribe of Chippewa Indians and intrusted to the custody or care of an officer, employee, or agent of the Sault Tribe of Chippewa Indians, to wit: using funds belonging to the Law Enforcement Department of the Sault Tribe of Chippewa Indians, **Paquin** purchased from Dunham's Sports in Sault Ste. Marie, Michigan, a treadmill valued at \$1,199 that was intended to be used in such Law Enforcement Department's Youth Detention Facility, and knowingly converted such treadmill to the use of another other than the intended recipient, and counseled, commanded and induced another to obtain and provide such treadmill and use it in the described manner.

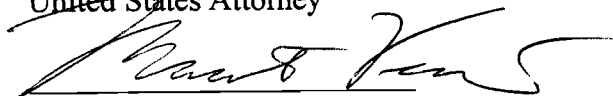
18 U.S.C. § 1163

18 U.S.C. § 2(a)

A TRUE BILL


GRAND JURY FOREPERSON

DONALD A. DAVIS
United States Attorney



MAARTEN VERMAAT
BRIAN K. DELANEY
Assistant United States Attorneys