FILED
U.S. DISTRICT COURT
DISTRICT OF NEBRASKA
2016 JUL 19 PM 4:47
OFFICE OF THE CLERK

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEBRASKA

UNITED STATES OF AMERICA,

Plaintiff,

vs.

JOHN BLACKHAWK,
DARWIN SNYDER,
THOMAS SNOWBALL,
LOUIS HOUGHTON,
LAWRENCE PAYER,
TRAVIS MALLORY,
CHARLES ALDRICH,
MORGAN EARTH,
RAMONA WOLFE,

Defendants.

8:16CR216

INDICTMENT
18 U.S.C. § 2
18 U.S.C. § 371
18 U.S.C. § 1167(b)
18 U.S.C. § 1343

The Grand Jury charges:

**BACKGROUND**

1. At all relevant times, the Winnebago Tribe of Nebraska (hereafter "the Tribe") was a federally recognized Indian tribe.

2. The Tribe's governing body, the Tribal Council, was comprised of nine members consisting of: (a) a chairperson; (b) a vice-chairperson; (c) a treasurer; (d) a secretary; and (e) five general members.

3. Between January 1, 2013 and November 1, 2014:

a. Defendant JOHN BLACKHAWK was the Chairperson of the Tribal Council.

b. Defendant DARWIN SNYDER was the Vice-Chairperson of the Tribal Council.

c. Defendant THOMAS SNOWBALL was the Treasurer of the Tribal Council.

8. At all relevant times, Tribal Council members were considered to be full time employees of the Tribe and were paid annual salaries through the payroll department of the Tribe. During calendar year 2013, each of the defendants received in excess of $80,000 in gross pay from the Tribe. During calendar year 2014, each of the defendants received in excess of $87,000 in gross pay from the Tribe. These amounts were exclusive of other amounts paid for retroactive salary increases, buy-out of vacation time, and bonuses paid through the payroll department of the Tribe.

9. During a regular meeting of the Tribal Council on February 22, 2013, the Tribal Council approved a motion to correct any salary deficiencies for all directors and managers including members of the Tribal Council. This was made retroactive to the beginning of fiscal year 2013 and resulted in increases to the salaries of the Tribal Council members of approximately 35 percent. Thus on February 22, 2013, additional checks were processed through the payroll department of the Tribe totaling the amounts set forth below:

a. General members - $8,288.56 apiece

b. Vice Chair, Secretary, Treasurer - $9,945.74 apiece

c. Chairperson - $11,602.92

10. During calendar year 2013, each of the defendants as members of the Tribal Council, received bonuses or other disbursements through the payroll department of the Tribe which were in addition to their regular salary amounts as set forth below

| **Date** | **Amount** | **Description** |
|---|---|---|
| April 4, 2013 | $1,624.26 | Bonus |
| May 17, 2013 | $812.13 | Employee Appreciation Bonus |
| August 9, 2013 | $1,082.84 | Bonus for Successful Audit |

| | | |
|---|---|---|
| November 29, 2013 | $1,624.26* | Christmas Bonus authorized by CFO<br>*Snowball, Blackhawk, and Houghton each received only $1,522.07 |
| December 13, 2013 | $812.13* | Christmas Bonus authorized by Tribal Council Treasurer<br>*Snowball, Blackhawk and Houghton each received only $761.04 |

11. During calendar year 2014, each of the defendants, as members of the Tribal Council, received bonuses or other disbursements through the payroll department of the Tribe which were in addition to their regular salary amounts as set forth below:

| **Date** | **Amount** | **Description** |
|---|---|---|
| January 10, 2014 | $1,082.84 | Bonus for indirect cost submission |
| April 18, 2014 | $5,000.00 | Payment in lieu of retirement plan |
| May 2, 2014 | $2,500.00 | Successful Audit Bonus |
| May 16, 2014 | $541.42 | Employee Appreciation Bonus |
| August 22, 2014 | $1,082.84 | Bonus |
| November 21, 2014 | $812.13 | Christmas Bonus Authorized by CFO |

12. During fiscal years 2013 and 2014, Tribal Council members were given six weeks of vacation leave and six weeks of sick leave. The Tribe allowed the vacation leave hours to be exchanged for a cash amount paid through the payroll department of the Tribe, and unused vacation hours at the end of each fiscal year were converted to a cash amount paid through the

payroll department of the Tribe. In fiscal years 2013 and 2014, each of the defendants received checks from the payroll department of the Tribe in various amounts as payment for unused vacation hours. These payments were in addition to regular salary payments and the bonuses or other disbursements set forth above.

13. During fiscal years 2013 and 2014, employees of the Tribe who had been employed by the Tribe for fifteen year or more were given an award called "longevity pay". This annual longevity pay originally was deemed to be an award in lieu of retirement plan benefits. Longevity pay was paid on the first day of each fiscal year. In fiscal years 2013 and 2014 the following defendants received longevity pay in the amounts listed below. These payments were in addition to the regular salary payments and the bonuses or other disbursements set forth above.

| **Defendant** | **Fiscal Year** | **Amount** |
|---|---|---|
| Charles Aldrich | 2013 | $3,200 |
| Charles Aldrich | 2014 | $3,400 |
| John Blackhawk | 2013 | $5,000 |
| John Blackhawk | 2014 | $5,000 |
| Louis Houghton | 2013 | $4,000 |
| Louis Houghton | 2014 | $4,000 |
| Darwin Snyder | 2013 | $4,000 |
| Darwin Snyder | 2014 | $4,000 |
| Lawrence Payer | 2013 | $4,000 |
| Lawrence Payer | 2014 | $4,000 |

**COUNT I**
**(Willful Misapplication of Casino Funds; Aiding and Abetting)**

14. Paragraphs 1 through 13 are hereby re-alleged and incorporated here as if they were set forth in full.

15. Despite the fact that they were already receiving salaries, buy-out of vacation hours, bonuses and other distributions from the Tribe, as described above, defendants JOHN BLACKHAWK, DARWIN SNYDER, THOMAS SNOWBALL, LOUIS HOUGHTON, LAWRENCE PAYER, TRAVIS MALLORY, CHARLES ALDRICH, MORGAN EARTH, and RAMONA WOLFE devised, executed, and aided and abetted the execution of a plan to obtain additional funds directly from the Casino without accounting for same through the payroll department of the Tribe and without approving the distribution of such funds at a regular meeting of the Tribal Council.

16. Beginning on a date no later than December 20, 2013, and continuing through September 26, 2014, in the District of Nebraska and elsewhere, defendants JOHN BLACKHAWK, DARWIN SNYDER, THOMAS SNOWBALL, LOUIS HOUGHTON, LAWRENCE PAYER, TRAVIS MALLORY, CHARLES ALDRICH, MORGAN EARTH, and RAMONA WOLFE did knowingly abstract, purloin, willfully misapply, and take and carry away with the intent to steal, monies and funds of a value in excess of $1,000 which belonged to the WinnaVegas Casino, a gaming establishment operated by the Winnebago Tribe of Nebraska pursuant to an ordinance or resolution approved by the National Indian Gaming Commission.

17. In order to obtain the funds from the Casino, each of the defendants provided Liberty National Bank in Sioux City, Iowa, with personally identifying information so that Liberty National Bank could open separate pre-paid Visa debit card accounts for each of the defendants. Thereafter, at the direction of defendant THOMAS SNOWBALL, an employee of

the Casino did arrange for Liberty National Bank to make loads to the debit cards assigned to each of the defendants as indicated below:

| **Date** | **Load Amount per Card** |
|---|---|
| December 20, 2013 | $2,500 |
| January 10, 2014 | $2,000 |
| January 24, 2014 | $2,500 |
| February 27, 2014 | $2,000 |
| March 19, 2014 | $2,000 |
| April 25, 2014 | $2,000 |
| May 9, 2014 | $2,000 |
| June 2, 2014 | $2,500<br>*Thomas Snowball was excluded from this distribution |
| June 27, 2014 | $1,500 |
| July 15, 2014 | $1,500 |
| August 7, 2014 | $2,500 |
| September 5, 2014 | $2,000 |
| September 26, 2014 | $2,000 |

18. Load amounts to the pre-paid debit cards as described above plus all associated fees were billed by Liberty National Bank to the Casino.

19. Invoices paid by the Casino for loads to these pre-paid Visa debit cards were not

approved by the Winnebago Gaming Commission nor were the invoices approved by the Tribal Council at a regular meeting. Further, the Tribal Council never approved at a regular meeting additional salary or other distributions to be paid to any member of the Tribal Council directly from funds of the Casino for any work performed relating to the Casino.

20. In order to access the funds loaded to the pre-paid Visa debit cards, the defendants utilized their individual debit cards at businesses and ATMs in the District of Nebraska and elsewhere, including, but not limited to, the following transactions in the District of Nebraska:

| Date | Defendant | Amount | Location |
|---|---|---|---|
| 1/24/14 | Aldrich | $202.00 | ATM, Winnebago |
| 4/27/14 | Aldrich | $202.00 | ATM, Winnebago |
| 2/8/14 | Blackhawk | $1,162.96 | Nebraska Furniture Mart, Omaha |
| 10/5/14 | Blackhawk | $1,742.85 | Nebraska Furniture Mart, Omaha |
| 1/17/14 | Earth | $502.00 | ATM, South Sioux City |
| 9/30/14 | Earth | $422.21 | Walmart, South Sioux City |
| 3/19/14 | Houghton | $202.00 | ATM, Winnebago |
| 5/6/14 | Houghton | $297.00 | Walmart, South Sioux City |
| 2/28/14 | Mallory | $402.00 | ATM, Lincoln |
| 8/24/14 | Mallory | $743.65 | The Velvet Poodle, South Sioux City |
| 2/3/14 | Payer | $202.00 | ATM, South Sioux City |
| 3/10/14 | Payer | $595.34 | Prime Performance, South Sioux City |
| 5/11/14 | Snowball | $230.01 | Sheplers, Omaha |
| 8/7/14 | Snowball | $333.33 | Walmart, South Sioux City |
| 10/3/14 | Snyder | $104.25 | Walmart, South Sioux City |

| | | | |
|---|---|---|---|
| 9/28/14 | Snyder | $103.74 | Scheels, Omaha |
| 12/22/13 | Wolfe | $249.98 | Walmart, South Sioux City |
| 12/22/13 | Wolfe | $842.83 | Walmart, South Sioux City |

21. Loads to the pre-paid Visa debit cards were recorded on the general ledger of the Casino as miscellaneous administrative expenses and not as salary.

22. As a result of the unauthorized loads to the pre-paid Visa debit cards assigned to the defendants, the Casino sustained a loss of at least $240,500.

In violation of Title 18, United States Code, Sections 1167(b) and 2.

## COUNT II
## (Conspiracy to Steal and Misapply Casino Funds)

23. Paragraphs 1 through 13 are re-alleged and incorporated here as if they were set forth in full.

**A. THE CONSPIRACY**

24. Beginning on a date unknown to the grand jury, but no later than January 4, 2013, and continuing to on or around September 26, 2014, in the District of Nebraska and elsewhere, the defendants JOHN BLACKHAWK, DARWIN SNYDER, THOMAS SNOWBALL, LOUIS HOUGHTON, LAWRENCE PAYER, TRAVIS MALLORY, CHARLES ALDRICH, MORGAN EARTH, RAMONA WOLFE and others known and unknown to the grand jury, did knowingly and intentionally conspire to commit an offense against the United States, to wit: theft and misapplication of monies and funds of a value in excess of $1,000 belonging to a gaming establishment operated by an Indian tribe in violation of Title 18, United States Code, Section 1167(b).

**B. OBJECT OF THE CONSPIRACY**

25. The primary object of the conspiracy was to obtain monies to which the defendants were not entitled. To accomplish this, the defendants: (a) caused employees of the Casino to issue gift certificates in the names of the defendants without any funds being paid for the issuance of such certificates; and (b) caused pre-paid Visa debit card accounts to be established in the names of the defendants and to have employees of the Casino authorize periodic loads to said pre-paid Visa debit cards utilizing funds belonging to the Casino. These distributions in the form of gift certificates and loads to the pre-paid Visa debit cards were made even though no additional salary had been approved by the Tribe for any of the defendants and even though salary payments were to be paid through the Tribe's funds and not directly from funds belonging to the Casino. Amounts distributed to the defendants were recorded on the general ledger of the Casino as administrative expenses and not salary.

**C. OVERT ACTS**

26. In furtherance of the conspiracy and to accomplish the objects thereof, the defendants committed the following overt acts, among others, in the District of Nebraska and elsewhere:

a. On or about January 4, 2013, the defendants THOMAS SNOWBALL, MORGAN EARTH, CHARLES ALDRICH, RAMONA WOLFE, TRAVIS MALLORY, LOUIS HOUGHTON and DARWIN SNYDER each retrieved a $500 gift certificate from the Casino which certificates were cashed or redeemed for merchandise at the Casino.

b. On or about June 4, 2013, defendants JOHN BLACKHAWK, DARWIN SNYDER, THOMAS SNOWBALL, LOUIS HOUGHTON, LAWRENCE PAYER, TRAVIS MALLORY, CHARLES ALDRICH, MORGAN EARTH, and RAMONA WOLFE each

retrieved multiple gift certificates totaling $2,500 per person from the Casino which were cashed or redeemed for merchandise at the Casino.

c. On or about October 16, 2013, defendants JOHN BLACKHAWK, DARWIN SNYDER, THOMAS SNOWBALL, LOUIS HOUGHTON, LAWRENCE PAYER, TRAVIS MALLORY, CHARLES ALDRICH, MORGAN EARTH, RAMONA WOLFE each retrieved multiple gift certificates totaling $1,000 per person from the Casino which were cashed or redeemed for merchandise at the Casino.

d. On or about November 25, 2013, defendants JOHN BLACKHAWK, DARWIN SNYDER, THOMAS SNOWBALL, LOUIS HOUGHTON, LAWRENCE PAYER, TRAVIS MALLORY, CHARLES ALDRICH, MORGAN EARTH, RAMONA WOLFE each retrieved multiple gift certificates totaling $3,500 per person from the Casino which were cashed or redeemed for merchandise at the Casino.

e. On or about February 7, 2014, defendants JOHN BLACKHAWK, DARWIN SNYDER, THOMAS SNOWBALL, LOUIS HOUGHTON, LAWRENCE PAYER, TRAVIS MALLORY, CHARLES ALDRICH, MORGAN EARTH, RAMONA WOLFE each retrieved one or more gift certificates totaling $2,000 per person from the Casino which were redeemed for cash or merchandise at the Casino.

f. On or about May 30, 2014, defendant THOMAS SNOWBALL retrieved multiple gift certificates totaling $2,500 from the Casino which were redeemed for cash or merchandise at the Casino.

g. On or about December 20, 2013, defendants JOHN BLACKHAWK, DARWIN SNYDER, THOMAS SNOWBALL, LOUIS HOUGHTON, LAWRENCE PAYER, TRAVIS MALLORY, CHARLES ALDRICH, MORGAN EARTH, RAMONA WOLFE

provided personal identifying information to Liberty National Bank in Sioux City, Iowa for the purpose of establishing pre-paid Visa debit card accounts in their names.

h. On or about the dates listed in the table below, defendants JOHN BLACKHAWK, DARWIN SNYDER, THOMAS SNOWBALL, LOUIS HOUGHTON, LAWRENCE PAYER, TRAVIS MALLORY, CHARLES ALDRICH, MORGAN EARTH, RAMONA WOLFE received and accessed loads to their individual pre-paid Visa debit cards in the amounts listed below from funds belonging to the Casino.

| **Date** | **Load Amount per Card** |
|---|---|
| December 20, 2013 | $2,500 |
| January 10, 2014 | $2,000 |
| January 24, 2014 | $2,500 |
| February 27, 2014 | $2,000 |
| March 19, 2014 | $2,000 |
| April 25, 2014 | $2,000 |
| May 9, 2014 | $2,000 |
| June 2, 2014 | $2,500<br>*Thomas Snowball was excluded from this distribution |
| June 27, 2014 | $1,500 |
| July 15, 2014 | $1,500 |
| August 7, 2014 | $2,500 |
| September 5, 2014 | $2,000 |
| September 26, 2014 | $2,000 |

i. On or about January 24, 2014, defendant CHARLES ALDRICH accessed funds loaded to his pre-paid Visa debit card by conducting a $202 transaction at an ATM in Winnebago, Nebraska.

j. On or about October 5, 2014, defendant JOHN BLACKHAWK accessed funds loaded to his pre-paid Visa debit card by utilizing the card to purchase merchandise costing $1,742.85 at the Nebraska Furniture Mart in Omaha, Nebraska.

k. On or about January 17, 2014, defendant MORGAN EARTH accessed funds loaded to his pre-paid Visa debit card by conducting a $502 transaction at an ATM in Winnebago, Nebraska.

l. On or about May 6, 2014, defendant LOUIS HOUGHTON accessed funds loaded to his pre-paid Visa debit card by utilizing the card to purchase merchandise costing $297 at the Walmart in South Sioux City, Nebraska.

m. On or about February 28, 2014, defendant TRAVIS MALLORY accessed funds loaded to his pre-paid Visa debit card by conducting a $402 transaction at an ATM in Lincoln, Nebraska.

n. On or about March 10, 2014, defendant LAWRENCE PAYER accessed funds loaded to his pre-paid Visa debit card by utilizing the card to pay for services costing $595.34 at Prime Performance in South Sioux City, Nebraska.

o. On or about September 28, 2014, defendant DARWIN SNYDER accessed funds loaded to his pre-paid Visa debit card by utilizing the card to purchase merchandise costing $103.74 at Scheels in Omaha, Nebraska.

p. On or about December 22, 2013, defendant RAMONA WOLFE accessed funds loaded to her pre-paid Visa debit card by utilizing the card to purchase merchandise costing $842.83 at Walmart in South Sioux City, Nebraska.

q. On or about May 11, 2014, defendant THOMAS SNOWBALL accessed funds loaded to his pre-paid Visa debit card by utilizing the card to purchase merchandise costing $230.01 at Sheplers in Omaha, Nebraska.

**D. LOSS**

27. As a result of the unauthorized disbursements to the defendants through the gift certificates and the pre-paid Visa debit cards, the Casino sustained a loss of at least $327,000.

In violation of Title 18, United States Code, Section 371.

**COUNTS III - XI**
**(Wire Fraud and Aiding and Abetting)**

28. Paragraphs 1 through 13 are re-alleged and incorporated here as if they were set forth in full.

**A. PURPOSE AND OVERVIEW OF THE SCHEME AND ARTIFICE TO DEFRAUD**

29. The purpose of the scheme and artifice to defraud was for the defendants JOHN BLACKHAWK, DARWIN SNYDER, THOMAS SNOWBALL, LOUIS HOUGHTON, LAWRENCE PAYER, TRAVIS MALLORY, CHARLES ALDRICH, MORGAN EARTH, and RAMONA WOLFE to unjustly enrich themselves by misapplying, converting, and stealing funds of the Casino for their own personal use. The essence of the scheme and artifice to defraud was the defendants causing and accepting distributions to themselves directly from funds of the Casino in a manner that was not only contrary to the policies of the Tribe and the Casino but which also attempted to keep the receipt of said funds from becoming known to members of the Tribe.

**B. THE SCHEME AND ARTIFICE TO DEFRAUD**

30. Beginning on or about January 4, 2013 and continuing until on or about December 31, 2014, in the District of Nebraska and elsewhere, defendants JOHN BLACKHAWK, DARWIN SNYDER, THOMAS SNOWBALL, LOUIS HOUGHTON, LAWRENCE PAYER, TRAVIS MALLORY, CHARLES ALDRICH, MORGAN EARTH, and RAMONA WOLFE knowingly devised and executed, attempted to devise and execute, and aided and abetted the execution and attempted execution of a scheme and artifice to defraud the Winnebago Tribe of Nebraska and the WinnaVegas Casino through making and causing to be made unauthorized distributions to themselves directly from monies and funds of the Casino well knowing that monies and funds of the Casino were not permitted to be distributed directly to members of the Tribe, including members of the Tribal Council.

31. It was part of the scheme and artifice to defraud that employees of the Casino were directed to issue gift certificates to the defendants without any funds being paid to the Casino for the issuance of said gift certificates. These gift certificates initially were made available to the defendants by having them placed at the cage of the Casino where they were picked-up and cashed or otherwise redeemed by the defendants. It was a further part of the scheme and artifice to defraud that placement of the gift certificates was moved from the cage to the customer service department in an attempt to minimize the number of employees of the Casino having knowledge of the defendants' receipt of said gift certificates.

32. It was a further part of the scheme to defraud that no motion or resolution authorizing the issuance and distribution of the gift certificates was approved by the defendants, as members of the Tribal Council, at any regular meeting of the Tribal Council, nor was any motion or resolution approved authorizing additional salary to be paid to the defendants, as

members of the Tribal Council, for any work performed overseeing the business affairs of the Casino.

33. It was a further part of the scheme and artifice to defraud that the defendants did receive and redeem numerous gift certificates from the Casino as is more specifically described below:

a. On or about January 4, 2013, each of the defendants, with the exception of JOHN BLACKHAWK and LAWRENCE PAYER, received a $500 gift certificate from the Casino which certificates were cashed or redeemed for merchandise at the Casino.

b. On or about June 4, 2013, defendants JOHN BLACKHAWK, DARWIN SNYDER, THOMAS SNOWBALL, LOUIS HOUGHTON, LAWRENCE PAYER, TRAVIS MALLORY, CHARLES ALDRICH, MORGAN EARTH, and RAMONA WOLFE each received multiple gift certificates totaling $2,500 per person from the Casino which were cashed or redeemed for merchandise at the Casino.

c. On or about October 16, 2013, defendants JOHN BLACKHAWK, DARWIN SNYDER, THOMAS SNOWBALL, LOUIS HOUGHTON, LAWRENCE PAYER, TRAVIS MALLORY, CHARLES ALDRICH, MORGAN EARTH, RAMONA WOLFE each received multiple gift certificates totaling $1,000 per person from the Casino which were cashed or redeemed for merchandise at the Casino.

d. On or about November 25, 2013, defendants JOHN BLACKHAWK, DARWIN SNYDER, THOMAS SNOWBALL, LOUIS HOUGHTON, LAWRENCE PAYER, TRAVIS MALLORY, CHARLES ALDRICH, MORGAN EARTH, RAMONA WOLFE each received multiple gift certificates totaling $3,500 per person from the Casino which were cashed or redeemed for merchandise at the Casino.

e. On or about February 7, 2014, defendants JOHN BLACKHAWK, DARWIN SNYDER, THOMAS SNOWBALL, LOUIS HOUGHTON, LAWRENCE PAYER, TRAVIS MALLORY, CHARLES ALDRICH, MORGAN EARTH, RAMONA WOLFE each received one or more gift certificates totaling $2,000 per person from the Casino which were redeemed for cash or merchandise at the Casino.

f. On or about May 30, 2014, defendant THOMAS SNOWBALL received multiple gift certificates totaling $2,500 from the Casino which were redeemed for cash or merchandise at the Casino.

34. It was a further part of the scheme and artifice to defraud that in order to make funds more readily available to the defendants and to further attempt to reduce the number of employees of the Casino having knowledge of funds being obtained by the defendants, each of the defendants provided personal identifying information to Liberty National Bank in Sioux City, Iowa so that pre-paid Visa debit card accounts could be opened in their individual names. Thereafter, employees of the Casino were directed to make loads to the pre-paid Visa debit cards from funds of the Casino as is more specifically described below:

| **Date** | **Load Amount per Card** |
|---|---|
| December 20, 2013 | $2,500 |
| January 10, 2014 | $2,000 |
| January 24, 2014 | $2,500 |
| February 27, 2014 | $2,000 |
| March 19, 2014 | $2,000 |
| April 25, 2014 | $2,000 |
| May 9, 2014 | $2,000 |

| | |
|---|---|
| June 2, 2014 | $2,500<br>*Thomas Snowball was excluded from this distribution |
| June 27, 2014 | $1,500 |
| July 15, 2014 | $1,500 |
| August 7, 2014 | $2,500 |
| September 5, 2014 | $2,000 |
| September 26, 2014 | $2,000 |

35. It was a further part of the scheme and artifice to defraud that no motion or resolution authorizing distribution of funds of the Casino to the pre-paid Visa debit cards was approved by the defendants, as members of the Tribal Council, at any regular meeting of the Tribal Council.

36. It was a further part of the scheme and artifice to defraud that when the disbursement of funds of the Casino to the defendants' pre-paid Visa debit cards became known to members of the Tribe, the disbursement of said funds was attempted to be justified by claiming that such funds were additional salary or stipends to members of the Tribal Council to compensate them for additional oversight duties they allegedly were required to perform as a result of various circumstances occurring at the Casino in 2014 even though:

a. Oversight of the Casino was already a part of the duties of all Tribal Council members for which they received a salary from the Tribe.

b. Not all defendants performed additional duties relating to the business of the Casino.

c. Stipends paid to Tribal Council members for work performed relating to sitting on boards of directors of other economic entities of the Tribe were considerably lower and were typically just $200 per meeting.

d. Tribal Council members were not licensed vendors authorized to receive payments directly from the Casino.

e. The Winnebago Gaming Commission had not approved such disbursements to the Tribal Council members.

f. The disbursement of such funds was contrary to the provisions of the Bylaws of the Tribe because the description of the alleged work to be performed, the justification for same and the amount of compensation therefore were not approved by the Tribal Council at any regular meeting nor was the disbursement of said funds over and above the tribal budget for fiscal years 2013 and 2014 approved at any regular meeting of the Tribal Council.

**C. THE WIRE TRANSACTIONS**

37. Convenient Cards, Inc. is a pre-paid program manager for Visa debit cards located in Springfield, Massachusetts. It assembles all of the necessary partners to make the debit cards work including an issuing bank, a transaction processor and manufacturer for the cards. Convenient Cards, Inc. provides customer service and maintains the records of the transactions on the cards.

38. Liberty National Bank partnered with Convenient Cards, Inc. to provide pre-paid Visa debit cards to its customers. Liberty National Bank verified the identity of the defendants and issued pre-paid debit cards to them. Thereafter, loads to the cards were made at the direction of employees of the Casino and invoices were sent to the Casino. Once loads were made to the cards, the defendants were authorized to use the cards at ATMs and businesses.

39. Convenient Cards, Inc. used transaction processors which were not located in the District of Nebraska.

**D. STATUTORY ALLEGATION**

40. On or about the dates listed below, in the District of Nebraska and elsewhere, for the purpose of executing said scheme and artifice to defraud, the defendants JOHN BLACKHAWK, DARWIN SNYDER, THOMAS SNOWBALL, LOUIS HOUGHTON, LAWRENCE PAYER, TRAVIS MALLORY, CHARLES ALDRICH, MORGAN EARTH, RAMONA WOLFE did knowingly transmit and cause to be transmitted by means of wire and radio communications in interstate and foreign commerce, certain writings, signs, and signals as more particularly described in each Count below, each such instance being a separate Count of this Indictment.

| Count | On or About Date | Defendant | Transaction Initiation Location | Transaction type | Amount |
|---|---|---|---|---|---|
| III | 1/24/2014 | Aldrich | Winnebago, NE | ATM – debit card | $202 |
| IV | 10/5/2014 | Blackhawk | Omaha, NE | POS – debit card | $1,742.85 |
| V | 1/17/2014 | Earth | Winnebago, NE | ATM – debit card | $502 |
| VI | 3/19/2014 | Houghton | Winnebago, NE | ATM – debit card | $202 |
| VII | 2/28/2014 | Mallory | Lincoln, NE | ATM – debit card | $402 |
| VIII | 2/3/2014 | Payer | South Sioux City, NE | ATM – debit card | $202 |
| IX | 8/7/2014 | Snowball | South Sioux City, NE | POS – debit card | $333.33 |
| X | 9/28/2014 | Snyder | Omaha, NE | POS – debit card | $103.74 |
| XI | 12/22/2013 | Wolfe | South Sioux City, NE | POS – debit card | $842.83 |

**E. LOSS**

41. As a result of the unauthorized disbursements to the defendants through the gift certificates and the pre-paid Visa debit cards, the Casino sustained a loss of at least $327,000.

In violation of Title 18, United States Code, Sections 1343 and 2.

A TRUE BILL.

[redacted]
FOREPERSON

DEBORAH R. GILG
United States Attorney

The United States of America requests that trial of this case be held at Omaha, Nebraska, pursuant to the rules of this Court.

DOUGLAS R. SEMISCH
Assistant United States Attorney