

ST. CROIX TRIBAL COURT

St. Croix Chippewa Indians
of Wisconsin,

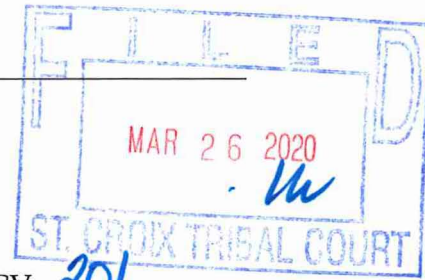
Plaintiff,

v.

Carmen Bugg,

Defendant.

Court File No. 20-CV- 201



Complaint

Plaintiff the St. Croix Chippewa Indians of Wisconsin (the Tribe), by and through its counsel, state and allege as follows:

Introduction

1. The Tribe brings this civil action to recover compensatory damages and a declaration of wrongdoing in response to the above-named Defendant's receipt of thousands of dollars of unlawful disbursements of moneys intended for the benefit of the Tribe as a whole.

2. While the Defendant served one term on the Tribal Council, from approximately 2015-2017, she pocketed thousands of dollars in unapproved and excess travel moneys, in addition to thousands of dollars in unsupported, fraudulent project payments.

3. As an elected leader of the Tribe—one of five Tribal Council members responsible for the welfare and decision-making of the Tribe and its enterprises—she held a position of immense trust, responsibility, and privilege. Instead of respecting this duty, she used her position of power for personal gain.

4. The Defendant's actions violated Tribal resolutions, Tribal ordinances, the Indian Gaming Regulatory Act and its implementing regulations, and the fiduciary duty and duty of loyalty that elected officers owe to the Tribe.

Parties

5. Plaintiff is the St. Croix Chippewa Indians of Wisconsin, tribally headquartered at 24663 Angeline Ave., Webster, Wisconsin, 54893. The Tribe is a federally recognized Indian tribe, organized under Section 16 of the Indian Reorganization Act of 1934, 25 U.S.C. § 5123, as amended, and established pursuant to the Constitution and By-Laws adopted by the Tribe on August 29, 1942 and approved on November 12, 1942, as recognized in 84 Fed. Reg. 1200, 1203 (Feb. 1, 2019).

6. The United States holds land in trust for the Tribe in Barron, Burnett, and Polk Counties.

7. Defendant Carmen Bugg is an enrolled member of the Plaintiff Tribe, and a former Tribal Council member for the Plaintiff Tribe. Her address is [REDACTED] Luck, Wisconsin 54853.

Jurisdiction

8. The St. Croix Tribal Court has subject-matter jurisdiction over this action under the St. Croix Tribal Court Code, Section 102, which states in relevant part:

102. Jurisdiction of the St. Croix Tribal Court. The Tribal Court shall have jurisdiction over:

- A. All matters arising under the Constitution and laws of the St. Croix Chippewa Indians of Wisconsin.
- B. All actions brought under the provisions of this Code.
- C. All other civil actions in which the locus of any element of any claim is on the reservation or other trust lands of the tribe, or which is based on any contract made on or providing for the delivery of goods or services on the reservation or other trust lands of the tribe.

9. Counts 1-11 of this matter arise under the Constitution and laws of the St. Croix Chippewa Indians of Wisconsin, are brought under the provisions of the St. Croix Tribal Court Code, and are civil actions where the locus of the claim is on the reservation or other trust lands of the Tribe.

10. The Court has personal jurisdiction over the enrolled Tribal member Defendant because the Court and the Tribe have retained their inherent sovereign authority over Tribal members, in accordance with Article V, Section 1(g) of the Constitution of the St. Croix Chippewa Indians of Wisconsin.

11. Venue is proper in this Court because the unlawful disbursements were issued from the Tribe's trust lands, in and around Turtle Lake and Webster, Wisconsin, and the Tribe has only one trial-level tribal court.

Legal Background Applicable to All Counts

12. The Indian Gaming Regulatory Act, 25 U.S.C. § 2701 et seq. ("IGRA") provides a statutory basis for tribal gaming operations to promote tribal economic development, strong tribal governments, and ensure that the tribes themselves remain the primary beneficiary of net gaming revenue.

13. IGRA defines the term "net revenues" to mean "gross revenues of an Indian gaming activity less amounts paid out as, or paid for, prizes and total operating expenses, excluding management fees." 25 U.S.C. § 2703(9).

14. The National Indian Gaming Commission ("NIGC") likewise defines the term "net revenues" to mean "gross gaming revenues of an Indian gaming operation less— (a) amounts paid out as, or paid for, prizes; and (b) total gaming-related operating expenses, including all those expenses of the gaming operation commonly known as operating expenses and non-operating expenses consistent with professional accounting pronouncements, excluding management fees." 25 C.F.R. § 502.16.

15. 25 U.S.C. §§ 2710(b)(2)(B) and 2710(d)(1)(A)(ii) allow lawful Class III gaming operations under IGRA only where the net revenues from the gaming operations are used for the following purposes:

- (i) to fund tribal government operations or programs;
- (ii) to provide for the general welfare of the Indian tribe and its members;
- (iii) to promote tribal economic development;
- (iv) to donate to charitable organizations; or
- (v) to help fund operations of local government agencies[.]

16. In addition to the above limitations on net revenues, IGRA allows an Indian tribe to provide per capita payments to its members from its net revenues only if the tribe has prepared a revenue allocation plan to allocate the net revenues in accordance with 25 U.S.C. § 2710(b)(2)(B), among other restrictions. 25 U.S.C. § 2710(b)(3).

17. IGRA's implementing regulations also require the gaming operation to "keep permanent books of account or records, including inventory records of gaming supplies, sufficient to establish the amount of gross and net income, deductions and expenses, receipts and disbursements, and other information required in any financial statement, report, or other accounting prepared pursuant to the [IGRA.]" 25 C.F.R. § 571.7(a).

18. Among other requirements, IGRA also requires that the Indian tribe operating the gaming establishment adopt a gaming ordinance or resolution. 25 U.S.C. § 2710(b)(1)(B).

19. The Tribe received approval from the NIGC Chairman for its Gaming Ordinance in 1995, with an approved amendment in 2006.

20. The Tribe's Gaming Ordinance "authorize[s] and set[s] the terms for Class II and Class III gaming operations on Tribal lands."

21. Section 3 of the Tribe's Gaming Ordinance requires "that all proceeds of such gaming are used for the benefit of the Tribe as required by the Indian Gaming Regulatory Act and tribal law."

22. Section 4(c) of the Tribe's Gaming Ordinance finds that "[i]t is essential that the Tribe, through its Tribal Council / Gaming Commission regulate gaming in a manner commensurate with applicable federal and Tribal law and policy[.]"

23. Sections 5(d), (g), of the Tribe's Gaming Ordinance explain two of the purposes of the ordinance are to "[e]nsure that tribally regulated gaming is conducted fairly and honestly . . . and that it remains free from corrupt, incompetent, unconscionable and dishonest persons and practices" and to "[e]nsure that the tribal gaming laws are strictly and fairly enforced against all persons involved in gaming activities within the jurisdiction of the Tribe."

24. Section 6 of the Tribe's Gaming Ordinance defines *Fraud* as "intentional deception resulting in an injury to another" including "those crimes and misdemeanors involving bad check writing, embezzlement, insurance fraud and welfare fraud."

25. Section 6 of the Tribe's Gaming Ordinance defines *Net Revenues* as "gross gaming revenues of an Indian gaming operation less: (a) Amounts paid out as, or paid for, prizes; and (b) Total gaming operating expenses, excluding management fees."

26. Section 9 of the Tribe's Gaming Ordinance governs the Tribe's use of gaming revenue, and states:

(a) Net revenues from Class II Gaming shall be used only for the following purposes:

- (1) To fund Tribal government operations and programs;
- (2) To provide for the general welfare of the Tribe and its members;
- (3) To promote Tribal economic development;
- (4) To donate to charitable organizations;
- (5) To help fund operations of local government agencies

27. IGRA, 25 U.S.C. § 2710(d)(1)(A)(ii), requires that net revenues derived from Class III gaming shall only be used by the Tribe for the same purposes that control the use of net revenues derived from Class II gaming.

28. Section 11(g) of the Tribe's Gaming Ordinance states that "[t]he Tribal Council shall establish the use of gaming revenues transferred from the gaming enterprises in accordance with this Ordinance and applicable laws for use of such revenues according to tribal needs and requirements for continued growth."

29. Section 12 of the Tribe's Gaming Ordinance establishes the St. Croix Gaming Commission, but details that the Tribe reserves oversight over the Commission, and creates an enforcement mechanism for the violation of the Gaming Ordinance.

30. Section 14(b) of the Tribe's Gaming Ordinance requires that "[a]ll gaming related contracts that result in the purchase of supplies, services, or concessions in excess of . . . \$25,000.00 annually . . . shall be included with the scope" of an annual, independent, audit conducted by a certified public accountant.

31. In 2010, the Tribe adopted an updated Revenue Allocation Plan (“RAP”), pursuant to IGRA to “allocate and manage the Tribe’s economic resources derived from the Gaming Operations.” Tribe’s RAP, §§ 1.1, 1.2(b). The Tribe’s RAP was approved by the Assistant Secretary of Indian Affairs on January 14, 2011, and is still in effect.

32. Section 1.2 of the RAP states that it “is becoming increasingly important to carefully allocate and manage the tribe’s economic resources derived from the Gaming Operations.”

33. Section 3.2 of the RAP allocates not less than 45% of net gaming revenues to fund tribal government operations or programs; not less than 5% of net gaming revenues to promote tribal economic development; and not more than 50% of net gaming revenues for per capita payments, charitable organization donations, and to fund local government agencies.

34. Section 5.1 of the RAP states that “Net Gaming Revenues allocated for Per Capita Payments with respect to any Per Capita Payment Period shall be distributed . . . in equal shares to Eligible Adults . . . [and] in equal shares to Eligible Minors of the same number of whole years of age”

35. On March 3, 2014, the Tribal Council adopted Resolution No. 3-3-14-1, which implemented restrictions on travel by employees and Tribal Council members because of economic challenges.

36. The restrictions included an elimination of a \$250 daily per diem allowance for Tribal Council members, reduction of Tribal Council member monthly travel budget, and a 30% reduction in pay for Tribal Council members.

37. On April 14, 2014, the Tribal Council adopted Resolution No. 4-16-14-1, which implemented “the immediate suspension and cessation of all Tribally funded (i.e., non-grant funded) travel until further notice.”

38. On June 6, 2016, the Tribal Council sent a memorandum to the St. Croix Travel, and St. Croix Interstate departments. The memorandum was signed by all five members of the Tribal Council and stated that “[f]rom here forward all individuals using St. Croix Travel and Interstate Funding for expenses while traveling will receive the uniform

government rate for mileage (when applicable) and per diem.”

39. On July 12, 2016, the Tribal Council adopted Resolution No. 16-07-12-01, which rescinded Resolution No. 4-16-14-1, which immediately suspended tribal travel, but made no mention of Resolution No. 3-3-14-1, which eliminated per diem payments.

40. On May 22, 2017, the Tribal Council adopted Resolution No. 17-05-22-01, which adopted a policy for travel and credit card usage for tribal business conducted at the St. Croix Casinos. The policy requires multiple layers of approval for any travel advances, receipts and expense reconciliation, prohibits both reimbursement and per diem for meals, prohibits family members or friends traveling at the Tribe’s expense without specific approval, and details multiple non-reimbursable charges, including personal entertainment.

41. The Tribe also has a “Travel Policies and Procedures” document that requires the travel department to calculate the allowable mileage or airfare, and per diem before it is sent to the accounting department for payment. The policy sets a limit of 15 days to return receipts from the trip to the travel department.

42. The Tribe’s Constitution establishes that the Tribe’s governing body is the St. Croix Tribal Council, “which shall be composed of five members elected biennially by popular vote.” Const. of the St. Croix Chippewa Indians of Wisconsin, art. IV, Section 1.

43. When elected, Tribal Council members must sign an oath of office, wherein the elected official swears to “support and defend the Constitution and Laws of the St. Croix Chippewa Indians of Wisconsin and of the Constitution of the United States and [to] faithfully and impartially discharge the duties of said office to the best of [his or her] ability.”

44. As an Ojibwe nation, the Tribe centers itself and its laws within traditional cultural practices, including teachings of nibwaakawin (wisdom), minwaadendamowin (respect), and debwewin (truthfulness), and expects that its elected leaders embody those principals.

45. 18 U.S.C. § 1163 makes it a federal crime to “embezzle[], steal[], knowingly convert[] to his own use or the use of another, willfully misappl[y], or willfully permit[] to be misapplied, any of the moneys, funds, credits, goods, assets, or other property

belonging to any Indian tribal organization or intrusted to the custody or care of any officer, employee, or agent of an Indian tribal organization[.]”

46. The Tribe has a common law and customary law expectation that its elected leaders will not engage in financial wrongdoing, including the misapplication of tribal moneys, the personal use of moneys intended to benefit the Tribe as a whole, and the careless and wasteful spending of money.

47. The St. Croix Chippewa Indians of Wisconsin Tribal Court Rules of Civil Procedure states that “Any action that may be brought under federal law or the law of the State of Wisconsin may be brought in tribal court.” § 306A.

48. Wisconsin Statute 943.20(1)(b) prohibits an individual, “[b]y virtue of his or her office . . . having possession or custody of money . . . of another, intentionally uses, transfers, conceals, or retains possession of such money . . . without the owner’s consent, contrary to his or her authority, and with intent to convert to his or her own use.”

49. Section 895.446 of the Wisconsin statutes create a private cause of action against an individual that has violated § 943.20(1)(b).

Factual Background Applicable to All Counts

50. The Tribe operates Class II and Class III gaming at casinos located near Turtle Lake, Danbury, and Hertel, Wisconsin.

51. These casinos are operated in accordance with IGRA and a gaming compact with the State of Wisconsin.

52. All revenues from the operation of the tribal casinos remains in the accounts of the St. Croix Casinos, before disbursements are made to the Tribe, tribal programs, or tribal members.

53. On July 7th, 2015, the Defendant was sworn in as a member of the Tribal Council and signed an Oath of Office. She was not reelected in 2017, and served until approximately June 2017.

54. Effective July 8, 2015, the Defendant's Personnel Action Form indicated she would be paid \$64.06 per hour, forty hours per week, in her new position. Effective July 7, 2017, the Defendant's Personnel Action Form indicated that her "Position ended" because of an involuntary termination.

55. In September 2017, the NIGC began an investigation into the Tribe's use of gaming revenue from its Turtle Lake and Hertel casinos. The investigation included site visits, requests for documents, and written questions and responses.

56. On April 11, 2019, the NIGC issued a 527-count Notice of Violation to the Tribe for violations of the IGRA, NIGC regulations, and the Tribe's Gaming Ordinance because of misuse of net gaming revenues, reflecting the severity of wrong-doing uncovered within certain members of the Tribe's leadership.

57. The Notice of Violation included \$83,263.20 in improper disbursements to the Defendant in this case.

58. On May 9, 2019, the NIGC levied a \$5.5 million dollar fine against the Tribe for the violations. This fine included a "\$1 million fine assessed for payments to Tribal Chairman Lewis Taylor, Tribal Council Member Crystal Peterson, and former Tribal Council Members Carmen Bugg and Stuart Bearhart [sic]" and "a total of \$500,000 is assessed for all other violations of misuse of revenue and failure to audit contracts greater than \$25,000."

Defendant's Receipt of Travel Disbursements

59. On July 13, 2015, the St. Croix Casino issued Check #173183 to the Defendant, in the amount of \$2,500.

- a. The check was debited to the gaming operation's Donations Payable Account.
- b. The Request for Disbursement form indicated "Travel to Portland Or 7/14 – 7/16, 2015 Council Travel – Buss Mtg" as the reason for the payment request.
- c. There are no travel receipts or invoices accompanying the Request for Disbursement form, or later submitted.
- d. Check #173183 was requested on July 13, 2015, and issued before the listed dates of travel.

60. On September 3, 2015, the St. Croix Casino issued Check #174145 to the Defendant, in the amount of \$2,000.

- a. The check was debited to the gaming operation's A/R Tribal Account.
- b. The Request for Disbursement form indicated "Travel pay for Valley Center CA 9/8 – 9/11 Tribal Council to [] Conference" as the reason for the payment request.
- c. There are no travel receipts or invoices accompanying the Request for Disbursement form, or later submitted.
- d. Check #174145 was requested on September 3, 2015, and issued before the listed dates of travel.

61. Simultaneously with the issuance of Check #174145, on September 2, 2015, the Defendant received Check #252779 from the Tribal Government's Travel Program in the amount of \$763.00, for "San Diego 9/8/15 – 9/11/15."

62. On October 22, 2015, the St. Croix Casino issued Check #175082 to the Defendant, in the amount of \$1,000.

- a. The check was debited to the gaming operation's A/R Tribal Account.
- b. The Request for Disbursement form indicated "Travel to Salem Or 10/23 10/24" as the reason for the payment request.
- c. There are no travel receipts or invoices accompanying the Request for Disbursement form, or later submitted.
- d. Check #175082 was requested on October 22, 2015, and issued before the listed dates of travel.

63. On November 10, 2015, the St. Croix Casino issued Check #175319 to the Defendant, in the amount of \$1,000.

- a. The check was debited to the gaming operation's A/R Tribal Account.
- b. The Request for Disbursement form indicated "Travel to Portland OR, 11/11 – 11/3, Council Business Mtg" as the reason for the payment request.
- c. There are no travel receipts or invoices accompanying the Request for Disbursement form, or later submitted.
- d. Check #175319 was requested on November 10, 2015, and issued before the listed dates of travel.

64. On December 3, 2015, the St. Croix Casino issued Check #175600 to the Defendant, in the amount of \$1,000.

- a. The check was debited to the gaming operation's A/R Tribal Account.
- b. The Request for Disbursement form indicated "Travel to Treasure Island, [] Mtg, 12/9 – 12/11" as the reason for the payment request.
- c. There are no travel receipts or invoices accompanying the Request for Disbursement form, or later submitted.
- d. Check #175600 was requested on December 1, 2015, and issued before the listed dates of travel.

65. On December 14, 2015, the St. Croix Casino issued Check #175768 to the Defendant, in the amount of \$5,000.

- a. The check was debited to the gaming operation's Donations Payable Account.
- b. The Request for Disbursement form indicated "Tribal Council Travel to OR 12/14 – 12/18" as the reason for the payment request.
- c. There are no travel receipts or invoices accompanying the Request for Disbursement form, or later submitted.
- d. Check #175768 was requested on December 10, 2015, and issued on the first day of the listed dates of travel.

66. On February 12, 2016, the St. Croix Casino issued Check #176809 to the Defendant, in the amount of \$3,000.

- a. The check was debited to the gaming operation's Donations Payable Account.
- b. The Request for Disbursement form indicated "Travel to Honolulu HI 2/16 – 2/20" as the reason for the payment request.
- c. There are no travel receipts or invoices accompanying the Request for Disbursement form, or later submitted.
- d. Check #176809 was requested on February 11, 2016, and issued before the listed dates of travel.

67. On April 22, 2016, the St. Croix Casino issued Check #178315 to the Defendant, in the amount of \$3,500.

- a. The check was debited to the gaming operation's A/R Tribal Account.
- b. The Request for Disbursement form indicated "Travel to Honolulu, HI 4/26 – 5/1" as the reason for the payment request. The form also includes a numerical calculation of:

Mileage	\$124.00	Cab	\$200.00
A P Perk	\$150.00	incidentals	<u>400.00</u>
per diem	\$426.00	[scribbles]	\$1300.00

extra cash	<u>2200.00</u>
	\$3,500.00

- c. There are no travel receipts or invoices accompanying the Request for Disbursement form, or later submitted.
- d. Check #178315 was requested and issued before the listed dates of travel.

68. Simultaneously with the issuance of Check #178315, on April 25, 2016, the Defendant received Check #253941 from the Tribal Government's Travel Program in the amount of \$1,000, for "Travel Stipend."

69. On August 22, 2016, the St. Croix Casino issued Check #180497 to the Defendant, in the amount of \$2,500.

- a. The check was debited to the gaming operation's A/R Tribal Account.
- b. The Request for Disbursement form indicated "Travel to Las Vegas 8/22 – 8/25, 2016" as the reason for the payment request.
- c. There are no travel receipts or invoices accompanying the Request for Disbursement form, or later submitted.
- d. Check #180497 was requested on August 22, 2016, and issued on the first of the listed dates of travel.

70. Simultaneously with the issuance of Check #180497, on August 16, 2016, the Defendant received Check #254573 from the Tribal Government's Travel Program in the amount of \$1,000, for "Las Vegas 8/21/16 – 8/25/16."

71. On September 20, 2016, the St. Croix Casino issued Check #180978 to the Defendant, in the amount of \$5,000.

- a. The check was debited to the gaming operation's A/R Tribal Account.
- b. The Request for Disbursement form indicated "Travel to LV 9/25 – 9/30."
- c. There are no travel receipts or invoices accompanying the Request for Disbursement form, or later submitted.
- d. Check #180978 was requested and issued before the listed dates of travel.

72. Simultaneously with the issuance of Check #180978, on September 21, 2016, the Defendant received Check #254771 from the Tribal Government's Travel Program in the amount of \$1,000, for "Stipend- Las Vegas 9/26/16."

73. On October 26, 2016, the St. Croix Casino issued Check #181658 to the Defendant, in the amount of \$3,639.65.

- a. The check was debited to the gaming operation's A/R Tribal Account.
- b. The Request for Disbursement form indicated "Travel to Denver CO. 10/27 – 10/31" as the reason for the payment request and included the following calculation:

mileage	\$1139.65
Travel cash	\$2500.00
	\$3,639.65

- c. There are no travel receipts or invoices accompanying the Request for Disbursement form, or later submitted.
- d. Check #181658 was requested on October 25, 2016, and issued before the listed dates of travel.

74. On December 2, 2016, the St. Croix Casino issued Check #182314 to the Defendant, in the amount of \$10,000.

- a. The check was debited to the gaming operation's A/R Tribal Account.
- b. The Request for Disbursement form indicated "Travel LV Legal Symposium 12/4 – 12/8" as the reason for the payment request.
- c. There are no travel receipts or invoices accompanying the Request for Disbursement form, or later submitted.
- d. Check #182314 was requested and issued before the listed dates of travel.

75. On January 23, 2017, the St. Croix Casino issued Check #183086 to the Defendant, in the amount of \$2,500.

- a. The check was debited to the gaming operation's A/R Tribal Account.
- b. The Request for Disbursement form indicated "Travel to LV [] seminar in LV 1/25 – 1/28" as the reason for the payment request.
- c. There are no travel receipts or invoices accompanying the Request for Disbursement form, or later submitted.
- d. Check #183086 was requested on January 20, 2017, and issued before the listed dates of travel.

76. Simultaneously with the issuance of Check #183086, on January 19, 2017, the Defendant received Check #500402 from the Tribal Government's Interstate Program in the amount of \$1,000, for "Travel Stipend- Las Vegas 1/25/17."

77. On February 22, 2017, the St. Croix Casino issued Check #183535 to the Defendant, in the amount of \$3,000.

- a. The check was debited to the gaming operation's A/R Tribal Account.
- b. The Request for Disbursement form indicated "Travel to Denver CO 2/23 – 2/26, 2017" as the reason for the payment request.
- c. There are no travel receipts or invoices accompanying the Request for Disbursement form, or later submitted.
- d. Check #183535 was requested on February 21, 2017, and issued before the listed dates of travel.

78. On March 8, 2017, the St. Croix Casino issued Check #183729 to the Defendant, in the amount of \$4,498.92.

- a. The check was debited to the gaming operation's A/R Tribal Account.
- b. The Request for Disbursement form indicated "per diem to Res 2017 LV 3/12 – 3/16" as the reason for the payment request, and included the following calculation:

\$3,500.00

998.92 – Bal for 2 rooms

\$4,498.92
- c. There are two hotel reservation printouts accompanying the payment request, with hand-written notes indication the hotel does not accept "cc auth forms" and "send cash w/ Carmen" along with a notation that the room total is 696.08, a 196.62 deposit has been paid, leaving \$499.46 remaining due for each room.
- d. There are no other travel receipts or invoices accompanying the Request for Disbursement form, or later submitted.
- e. Check #183729 was requested on March 8, 2017, and issued before the listed dates of travel.

79. Simultaneously with the issuance of Check #183729, on March 7, 2017, the Defendant received Check #500725 from the Tribal Government's Interstate Program in the amount of \$1,000, for "Extra Travel."

80. On April 6, 2017, the St. Croix Casino issued Check #184280 to the Defendant, in the amount of \$2,950.00.

- a. The check was debited to the gaming operation's A/R Tribal Account.

- b. The Request for Disbursement form indicated "per diem travel to San Diego 4/9 – 4/13" as the reason for the payment request, and included the following calculation:

2500.00

450.00 car rental + parking

\$2,950.00

- c. There are no travel receipts or invoices accompanying the Request for Disbursement form, or later submitted.
- d. Check #184280 was requested on April 6, 2017, and issued before the listed dates of travel.

81. Simultaneously with the issuance of Check #184280, on April 6, 2017, the Defendant received Check #500900 from the Tribal Government's Interstate Program in the amount of \$2,000, for "Council Stipend-San Diego 4/9/17."

82. On June 26, 2017, the St. Croix Casino issued Check #185954 to the Defendant, in the amount of \$2,500.

- a. The check was debited to the gaming operation's A/R Tribal Account.
- b. The Request for Disbursement form indicated "per diem travel to LV 7/6 – 7/9" as the reason for the payment request.
- c. There are no travel receipts or invoices accompanying the Request for Disbursement form, or later submitted.
- d. Check #185954 was requested on June 26, 2017, and issued before the listed dates of travel.

83. On June 27, 2017, the St. Croix Casino issued Check #185961 to the Defendant, in the amount of \$5,000.

- a. The check was debited to the gaming operation's A/R Tribal Account.
- b. The Request for Disbursement form indicated "Travel Assistance" as the reason for the payment request.
- c. There are no dates of travel, locations of travel, travel receipts, or invoices accompanying the Request for Disbursement form, or later submitted.

Defendant's Receipt of Project Disbursements

84. On June 7, 2017 the St. Croix Casino issued Check #185507 to the Defendant, in the amount of \$3,500.

- a. The check was debited to the gaming operation's A/R Tribal Account.
- b. The Request for Disbursement form lists "For Hertel / Siren Projects" as the reason for the payment request.
- c. There is no documenting support, such as a contract, invoice, or receipt, for any goods or services provided by the Defendant in support of this payment.

85. On June 7, 2017, the St. Croix Casino issued Check #185708 to the Defendant, in the amount of \$15,000.

- a. The check was debited to the gaming operation's A/R Tribal Account.
- b. The Request for Disbursement form indicated "Project Allocation" as the reason for the payment request.
- c. There is no documenting support, such as a contract, invoice, or receipt, for any goods or services provided by the Defendant in support of this payment.

86. Simultaneously with the issuance of Check #185708, the Defendant received the following checks from the Tribe's Government Interstate Program:

- a. June 21, 2017, Check #501523 in the amount of \$1,000, for "Travel Stipend – Las Vegas."
- b. June 26, 2017, Check #501600 in the amount of \$640.56, for "Reimburse air fare."
- c. June 28, 2017, Check #501613 in the amount of \$1,500 for "Travel Stipend 7/6/17"

Defendant's Receipt of Miscellaneous Disbursements

87. On December 12, 2016, the St. Croix Casino issued Check #182445 to the Defendant, in the amount of \$6,750.

- a. The check was debited to the gaming operation's A/R Tribal Account.
- b. The Request for Disbursement form lists "Community Christmas Party Round Lake" as the reason for the payment request.
- c. There are no accompanying receipts or invoices for this amount.
- d. Only one other individual received a comparable payment from the gaming operation's A/R Tribal Account on the same date.

88. Simultaneously with the issuance of Check #182445, on December 19, 2016, the Defendant received Check #500331 from the Tribe's Government Interstate Program, in

the amount of \$900, for “Kids Christmas.”

Counts

Count 1— Violation of Tribal Gaming Ordinance (Travel Disbursements)

89. The Tribe realleges and incorporates by reference the preceding paragraphs as if fully set forth here.

90. There are no Tribal Council resolutions authorizing the specific travel disbursements detailed in paragraphs 59, 60, 62, 63, 64, 65, 66, 67, 69, 71, 73, 74, 75, 77, 78, 80, 82, and 83 (collectively the “Travel Disbursements”).

91. The Requests for Disbursements for the Travel Disbursements do not include any additional documentation regarding the travel’s purpose or any verification that the travel occurred.

92. The Travel Disbursements were not issued pursuant to the Tribe’s RAP or any established tribal government program.

93. Many of the Travel Disbursements were issued simultaneously with payments, stipends, or reimbursements for the same travel from another Tribal account.

94. Undocumented travel is not an operating expense for the Tribe’s gaming operations, and the Travel Disbursements should have been considered net gaming revenue.

95. Using net gaming revenue for undocumented travel for an individual, including undocumented travel advances, is not an approved use of net gaming revenue under IGRA, NIGC regulations, or the Tribe’s Gaming Ordinance.

96. Defendant’s actions in keeping the money disbursed to her from any of the Travel Disbursements individually is a violation of § 9 of the Tribe’s Gaming Ordinance, which restricts the use of net gaming revenues to one of five purposes.

97. As a direct and proximate result of the Defendant's violation of the Tribe's Gaming Ordinance, the Tribe has suffered monetary damages relating to Count 1 in an amount to be proven at trial.

Count 2—Violation of Tribal Gaming Ordinance (Project Disbursements)

98. The Tribe realleges and incorporates by reference the preceding paragraphs as if fully set forth here.

99. There is not a Tribal Council resolution authorizing the specific project disbursements detailed in paragraphs 84–86 (collectively the "Project Disbursements").

100. The Requests for Disbursement for the Project Disbursements do not include any additional documentation regarding the purpose of the disbursements, such as a contract, invoice, receipt, or description of goods and services provided by the Defendant in support of these payments.

101. The Project Disbursements were not issued pursuant to the Tribe's RAP or any established tribal government programs.

102. Undocumented payments are not an operating expense for the Tribe's gaming operations, and the amounts should have been considered net gaming revenue.

103. Using net gaming revenue for an undocumented payment to individuals is not an approved use of net gaming revenue under IGRA, NIGC regulations, or the Tribe's Gaming Ordinance.

104. Defendant's actions in keeping the money disbursed to her from the Project Disbursements individually and/or collectively is a violation of § 9 of the Tribe's Gaming Ordinance, which restricts the use of net gaming revenues to one of five purposes.

105. As a direct and proximate result of the Defendant's violation of the Tribe's Gaming Ordinance, the Tribe has suffered monetary damages relating to Count 2 in an amount to be proven at trial.

Count 3—Violation of Tribal Gaming Ordinance (Miscellaneous Disbursement)

106. The Tribe realleges and incorporates by the preceding paragraphs as if fully set forth here.

107. There is not a Tribal Council resolution authorizing the specific disbursement detailed in paragraph 87 (the “Miscellaneous Disbursement”).

108. The Request for Disbursement for the Miscellaneous Disbursement does not include any additional documentation regarding the purpose of the disbursement, such as receipts or invoices for any amounts, other than it was for a Christmas party.

109. The Miscellaneous Disbursement was not issued pursuant to the Tribe’s RAP or any established tribal government program.

110. A Christmas party for a specific tribal community is not an operating expense for the Tribe’s gaming operations, and the amount should have been considered net gaming revenue.

111. Using net gaming revenue for a Christmas party for an individual community is not an approved use of net gaming revenue under IGRA, NIGC regulations, or the Tribe’s Gaming Ordinance.

112. Defendant’s actions in keeping the money disbursed to her from the Miscellaneous Disbursement is a violation of § 9 of the Tribe’s Gaming Ordinance, which restricts the use of net gaming revenues to one of five purposes.

113. As a direct and proximate result of the Defendant’s violation of the Tribe’s Gaming Ordinance, the Tribe has suffered monetary damages relating to Count 3 in an amount to be proven at trial.

Count 4—Violation of Wisc. Stat. 943.20(1)(b) (Travel Disbursements)

114. The Tribe realleges and incorporates by reference the preceding paragraphs as if fully set forth here.

115. By virtue of her office as an elected official, the Defendant received possession of the Tribe's money, in the form of the Travel Disbursements, as further described in Count 1, with the intent to convert the money to her own use.

116. Many of the Travel Disbursements were issued simultaneously with payments, stipends, or reimbursements for the same travel from another Tribal account.

117. Without the consent of the Tribe, the Defendant intentionally retained possession of the money for a prohibited purpose under tribal law.

118. As an elected official of the Tribe, the Defendant did not have the authority to use the Travel Disbursements for a purpose that violated tribal law.

119. The Tribal Court Code, § 307A, allows the incorporation of Wisconsin state law charges in Tribal Court.

120. As a direct and proximate result of the Defendant's violation of Wisc. Stat. 943.20(1)(b), through the procurement and retention of any of the Travel Disbursements individually and/or collectively, the Tribe has suffered damages in an amount to be proven at trial.

Count 5—Violation of Wisc. Stat. 943.20(1)(b) (Project Disbursements)

121. The Tribe realleges and incorporates by reference the preceding paragraphs as if fully set forth here.

122. By virtue of her office as an elected official, the Defendant received possession of the Tribe's money, in the form of the Project Disbursements, as further described in Count 2, with the intent to convert the money to her own use.

123. Without the consent of the Tribe, the Defendant intentionally retained possession of the money for a prohibited purpose under tribal law.

124. As an elected official of the Tribe, the Defendant did not have the authority to use the Project Disbursements for a purpose that violated tribal law.

125. The Tribal Court Code, § 307A, allows the incorporation of Wisconsin state law charges in Tribal Court.

126. As a direct and proximate result of the Defendant's violation of Wisc. Stat. 943.20(1)(b), through the procurement and retention of the Project Disbursements individually and/or collectively, the Tribe has suffered damages in an amount to be proven at trial.

Count 6—Misapplication of Funds (Travel Disbursements)

127. The Tribe realleges and incorporates by reference the preceding paragraphs as if fully set forth here.

128. As an elected official of the Tribe, the Defendant was entrusted as a fiduciary with the Tribe's monetary resources.

129. The Defendant knowingly and willfully kept the money disbursed to her individually and/or collectively in the Travel Disbursements in a manner contrary to the requirements of the Tribe's Gaming Ordinance (see Count 1) and her Oath of Office (see Count 9), and in some cases the Tribe's Travel Ban and Travel Restriction Resolutions, and thus misapplied the Tribe's money for prohibited uses, including her own benefit.

130. As a direct and proximate result of the Defendant's misapplication of funds, the Tribe has suffered monetary damages in an amount to be proven at trial.

Count 7—Misapplication of Funds (Project Disbursements)

131. The Tribe realleges and incorporates by reference the preceding paragraphs as if fully set forth here.

132. As an elected official of the Tribe, the Defendant was entrusted as a fiduciary with the Tribe's monetary resources.

133. The Defendant knowingly and willfully kept the money disbursed to her in the Project Disbursements individually and/or collectively in a manner contrary to the requirements of the Tribe's Gaming Ordinance (see Count 2) and her Oath of Office (see Count 10), and thus misapplied the Tribe's money for prohibited uses, including

her own benefit.

134. As a direct and proximate result of the Defendant's misapplication of funds, the Tribe has suffered monetary damages in an amount to be proven at trial.

Count 8—Misappropriation of Funds

135. The Tribe realleges and incorporates by reference the preceding paragraphs as if fully set forth here.

136. By virtue of her position, the Defendant received authority over the Tribe's money, in the form of an ability to access the Tribe's Gaming Enterprises' bank accounts and check books, including through the authority to order those with direct access to the accounts to make disbursements in her name.

137. Without the consent of the Tribe, the Defendant intentionally requested hundreds of disbursements for purposes prohibited under federal and tribal law, allowing the misappropriation of the Tribe's money.

138. As a direct and proximate result of the Defendant's misappropriation, the Tribe has suffered damages in an amount to be proven at trial.

Count 9—Violation of Oath of Office (Travel Disbursements)

139. The Tribe realleges and incorporates by reference the preceding paragraphs as if fully set forth here.

140. In signing her Oath of Office, Defendant adopted a sworn covenant to "faithfully and impartially discharge the duties" of her office, and to "support and defend the Constitution and Laws of the St. Croix Chippewa Indians of Wisconsin" which created a duty of loyalty between her and the Tribe.

141. Defendant's actions in depositing and keeping any or all of the Travel Disbursements, as detailed above, violated her Oath of Office because she took monetary compensation above and beyond that required for her official duties, contrary to the Tribe's law and resolutions, and she took money that was intended to benefit the

Tribe as a whole.

142. As a direct and proximate result of the Defendant's violation of her Oath of Office, the Tribe has suffered monetary damages in an amount to be proven at trial.

Count 10—Violation of Oath of Office (Project Disbursements)

143. The Tribe realleges and incorporates by reference the preceding paragraphs as if fully set forth here.

144. In signing her Oath of Office, Defendant adopted a sworn covenant to "faithfully and impartially discharge the duties" of her office, and to "support and defend the Constitution and Laws of the St. Croix Chippewa Indians of Wisconsin" which created a duty of loyalty between her and the Tribe.

145. Defendant's actions in depositing and keeping the Project Disbursements, as detailed above, violated her Oath of Office because she took monetary compensation above and beyond that required for her official duties, contrary to the Tribe's law and resolutions, and she took money that was intended to benefit the Tribe as a whole.

146. As a direct and proximate result of the Defendant's violation of her Oath of Office, the Tribe has suffered monetary damages in an amount to be proven at trial.

Count 11—Declaratory Judgment

147. The Tribe realleges and incorporates by reference the preceding paragraphs as if fully set forth here.

148. Article VIII, Section 2 of the Tribe's Election Ordinance provides that an individual is not to be considered a qualified candidate if:

The nominee has been found, by the St. Croix Tribal Court in a civil and/or criminal action, to have misappropriated, embezzled, stole, misapplied, converted, or willfully permitted the misapplication, any of the moneys, funds, credits, goods, assets, or other property belonging to the Tribe or intrusted to the custody or care of any officer, employee, or agent of the Tribe.

149. The allegations made in any or all parts of Counts 1 to 10 satisfy the requirements of this section.

150. If this Court finds the defendant liable for any of the actions asserted in Counts 1 to 10, the Tribe is entitled to a declaration that the Defendant has been found to have committed actions that prohibit her from being deemed a qualified candidate pursuant to the requirements of the Tribe's Election Ordinance.

Prayer for Relief

WHEREFORE, the Plaintiff Tribe requests this Court to enter judgment in its favor on Counts 1-11 against the Defendant, and to:

- I. Order the Defendant to pay restitution to the Tribe in an amount to be determined at trial;
- II. Award the Tribe damages in an amount to be determined at trial;
- III. Enter a declaration that the Defendant has:
 - a. violated the Tribe's Gaming Ordinance;
 - b. violated Wisc. Stat. 943.20(1)(b) in committing acts of embezzlement;
 - c. misapplied the Tribe's money for prohibited uses;
 - d. misappropriated the Tribe's money for prohibited uses;
 - e. violated her Oaths of Office; and
 - f. been found to have committed actions making her ineligible to be considered a qualified candidate under the Tribe's Election Ordinance;and
- IV. Grant such further relief as this Court may deem just and proper.

Respectfully submitted on this 24th day of March 2020.



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