

The Stephen M. Ross School of Business presents

### Native American Heritage Month Conference

The intersection of Indigenous identities and business issues

NATIVE AMERICAN HERITAGE MONTH



Opening ceremony 10:00 - 10:45

Session 1 11:00 – 12:30

Navigating Native American design in a corporate setting Lauren Thomas, Jordan 3D Design Expert and Nike N7 Design Director

Lunch 12:30 - 1:15

Session 2 1:15 - 2:45

Balancing business and cultural objectives in decision making
Jessi Goldner, Director of Strategic Engagement & Compliance at the
Waséyabek Development Company
Bryan Small, Tribal Practice Lead at DWH, LLC
Phil Gover, Federal Reserve Bank of Minneapolis

Session 3 3:00 – 4:30
Capital acquisition for tribal businesses
Matthew Fletcher, Harry Burns Hutchins Collegiate Professor
of Law at Michigan Law
Zeke Fletcher, Fletcher Law, PLLC
John Morseau, Federal Reserve Bank of Minneapolis

Closing ceremony 4:30 - 5:00



### **Tuesday November 12, 2024**

Robertson Auditorium Ross School of Business 701 Tappan St, Ann Arbor

You are welcome to attend the entire program or any session of interest! Refreshments will be provided.



## Y FIRST JOB Yaqui head charges 14 with plotting to con trib

13 others say they were fired without warn



Photos by Sarah Prall, The Arizona Daily Star

s Veronica Armenta, left, and Ramona Valles say they were given five minutes to get out. "We couldn't even get our personal belongings," said Valencia.

### By Monica Mendoza

The Arizona Daily Star The head of the Pascu Tribe accused 14 people ye of being part of an el scheme to bilk the tribe lions.

Tribal Chairman Beni Valencia leveled the char civil suit filed in federal co also gave the U.S. Att Office results of his own y internal investigation.

Meanwhile, department — who we named in the suit — say th fired Monday with no They said they are victi larger cover-up by tribal of

Valencia would not c on how the suspected fra to light because, "our investigation continues."

He also would not c on the terminations. In ad firing 13 people, one es resigned, eight were su indefinitely with pay and placed on paid leave "in allow for a complete inve the Tribal Housing Depa according to a news releas by the tribe's Phoenix-bas lic relations firm.

Valencia said the t whose annual budget is ab million — was charged fo ment and services it

See YAQUIS,

### FIRST EDITION

Tucson, Wednesday, April 29, 1998

The Arizona Da

### Yaquis

Continued from Page One

received, costing the tribe "at least \$5 million" since 1994.

Valencia's suit claims the scheme was pulled off by former procurement director Edward Caywood; former finance director Peter Pierides; former tribal gaming regulator Luis Gonzales; former government affairs director Raul Rubio; and five Tucsonbased contractors.

They used four "construction the goods or services provided. projects as a vehicle for fraudulently diverting tribal funds for their own personal benefit," the suit stated.

The fraud was done in connection with construction and renovation of several buildings including the expansion of the Casino of the charging, why didn't they say Sun, 7406 S. Camino de Oeste, the something to me then?" asked suit said.

Pierides approved \$1.1 million in a series of payments to three fictitious contractors at mail dropbox addresses to be used for their personal benefit.

could be reached for comment yesterday.

Valencia also described incidents that included typing over and reusing signed purchase orders.

The civil suit is an attempt to recover the funds. Valencia said. respond in court to the charges.

That money could have been spent on tribal education, social service or housing programs.

"I would like to see that anyone who had done anything illegal is brought to justice," Valencia said yesterday during a news conference at a downtown hotel.

The tribe alleges that subcontractors paid kickbacks to Pierides and Caywood so the tribe would continue to do business with them. The suit also stated that the subcontractors repeatedly submitted fraudulent invoices seeking payment in excess of the fair value of

One of the defendants, Charlie Rosovich, is a former employee of the Tribal Housing Authority. He is also owner of Charlie's Enterprises, which sold goods to the tribe.

"If they thought I was over-John Burell, owner of Burell The suit said Caywood and Electric, who is named in the suit. His company did \$1.7 million in computer wiring for the tribe's new administration building and the casino expansion.

Burell blamed the mess on Neither Pierides nor Caywood shoddy accounting. For example, he was sent a 1099 federal form that overstated how much the tribe paid him, he said. And he was often paid twice for the same job.

were wrongfully terminated and "I had to give them back a second check sometimes," he said. The defendants have 20 days to

From there it could go to trial. Valencia said he notified the U.S. attorney about his suspicions nine months ago. The U.S. Attorney's Office would not confirm or deny that complaints have been filed with the office.

Valencia's statements yesterday did not answer the concerns of employees who said they "were not connected" to any wrongdoing.

They were simply told to leave after working nearly a full day.

"We couldn't even get our personal belongings," said Olivia Valencia — no relation to the chairman — who had worked in dis the purchasing department for more than two years. "Last week we got our evaluations and we all got satisfactory or above satisfac-

The employees were not told wa how they were involved in the alleged scheme, they said.

"They even let go of our mail Ch clerk," Olivia Valencia said. "How ag would a mail clerk be connected to

Some of the employees said they were not working in the purchasing department when the contracts in question were approved. "To me something is being cov-

ered and we are being blamed," said Martina Lucero, who has worked there 14 months. Lucero and others said they

they intend to get an attorney. Gonzales, who is named in the suit, called the charges against him

# Yaqui ex-official

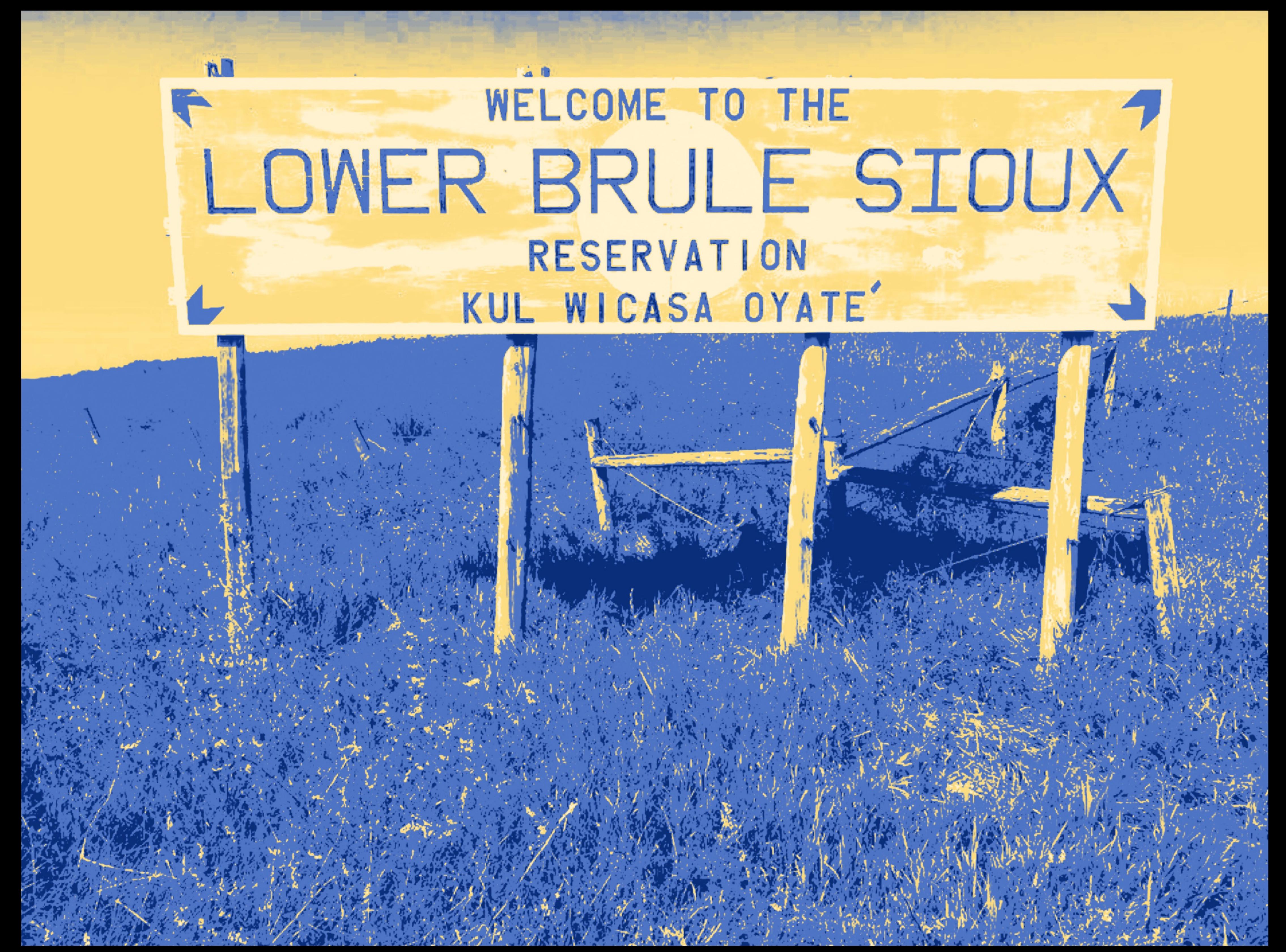
By Tim Steller

The Arizona Daily Star

A former Pascua Yaqui official was sentenced yesterday to 4 ½ years in prison for embezzling and laundering \$1.8 million of tribal money.

Edward Caywood, one of four officials involved in the scam, will also have to pay at





### DEPARTMENT OF THE INTERIOR

### **Bureau of Indian Affairs**

BUREAU OF INDIAN AFFAIRG LOAN GUARANTEE PROGRAM

25 CFR Part 103

RIN 1076-AD73

## Loan Guaranty, Insurance, and Interest Subsidy

AGENCY: Bureau of Indian Affairs,

Interior.

ACTION: Final rule.

SUMMARY: The Department of the

A Guide For Tribes, Tribal Enterprises and Businesses as Borrowers

BUSINESS OR TRIBAL ENTERPRISE, and cannot find financing on reasonable terms and conditions? The Indian Affairs Loan Guarantee Program may be able to help! We facilitate access to capital through Loan Guarantees. We are not a grant program; instead we as at Indian-owned businesses receive financing for them ects by guaranteeing loans made by banks and of enders. The size of a loan to a Tribe or tribal enterprise is not limited by our regulations, but is subject to availability of Program resources.

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK: IAS PART THREE

SEAPORT LOAN PRODUCTS, LLC and
ALDWYCH CAPITAL PARTNERS, LLC,

Plaintiffs,

-against-

Index No. 651492/12 Motion Date: 7/29/13 Motion Seq. No.: 004

LOWER BRULE COMMUNITY DEVELOPMENT ENTERPRISE LLC,

Defendant.	
	v

### I. FACTUAL ALLEGATIONS & PROCEDURAL HISTORY

On October 20, 2010, LBCDE loaned its affiliate, LBC Western Holdings, LLC ("Western Holdings"), the sum of \$22,519,638 (the "Loan"). (Compl. ¶ 5.) The United States Department of the Interior ("DOI") guaranteed 90% of the Loan's principal and interest. *Id.* ¶ 6. In the Fall 2011, LBCDE entered into an agreement with non-party Eagle Private Equity, LLC's ("Eagle") to seek a buyer for the Loan. *Id.* ¶ 7. On September 13, 2011, Eagle allegedly entered into a written agreement with plaintiff Aldwych Capital

Partners, LLC ("ACP") to market the Loan and to introduce buyers to Eagle and LBCDE.

Id. ¶ 8. The complaint alleges that ACP, in turn, entered into an agreement with plaintiff
Seaport Loan Products, LLC ("Seaport") "to assist in finding a potential buyer of the Loan."

Id. ¶ 9. The complaint also states that "ACP was disclosed to Defendant as a direct beneficiary of any transaction involving the agreement between Defendant and Seaport, and ACP worked directly with Defendant to sell the Loan." Id. ¶ 10.

In September 2011, Seaport located a buyer for the guaranteed portion of the Loan. (Compl. ¶ 11.) The buyer was Farm Credit Services of America, PCA ("Farm Credit"). *Id.* The complaint alleges that, on January 20, 2012, Seaport and LBCDE reached an agreement by which LBCDE agreed to sell Seaport/Farm Credit the guaranteed portion of the Loan. *Id.* ¶¶ 13-14. Seaport and LBCDE "memorialized the material terms of their agreement in a trade confirmation dated January 20, 2012." *Id.* ¶ 14. Pursuant to the trade confirmation, the

parties agreed to use their best efforts to complete the close or "settle in 5-10 business days after January 26, 2012." *Id.* ¶ 16. The complaint alleges that, although both Seaport and ACP worked diligently to close the transaction, LBCDE was and had been secretly working to sell the same loan interest to another buyer, *id.* ¶¶ 17-23, 27, and, on March 19, 2012, LBCDE announced that it had sold the entire Loan to Great American Insurance Group at a higher price. *Id.* ¶¶ 24-26.

# Lower Brule default leads to \$20M suit

### Summary: Guaranteed Loan to Lower Brule Ignored Risk Factors

Report Date: March 28, 2017

We investigated a complaint from members of the Lower Brule Sioux Tribe (Tribe), who questioned a loan guarantee issued by the Office of Indian Energy and Economic Development (IEED), a component of Indian Affairs at the Department of the Interior. The Tribe received a 90-percent guarantee from IEED's Division of Capital Investment (DCI) on a loan of more than \$22 million to purchase a New York City-based financial services company.

We found that DCI ignored multiple negative indicators that suggested the loan might be too risky for DCI to approve. First, the tribal subsidiary involved in the transaction was a new lender without extensive experience. Second, the borrower included intangible assets as part of its portfolio, which are considered less reliable than tangible assets. Finally, the company's business plan relied on an expectation of a favorable tax ruling from the Internal Revenue Service, which it did not receive.

The Tribe ultimately sold the guaranteed loan on the secondary market, using most of the funds to reduce shareholder debt. Soon after the sale, the Tribe defaulted on the loan. The purchaser of the loan filed a claim for loss to DCI, which is currently in litigation.

We found no criminal violation, but we did find that DCI exposed itself to significant financial risk because it failed to adhere to its own guidelines and heed negative indicators. While we did not find the Tribe suffered a significant financial loss from the transaction, the absence of transparency exacerbated long-standing distrust between tribal members and the tribal council.

This is a summary of a report of investigation that was issued to the Assistant Secretary - Indian Affairs.

## Trump appointee to Bureau of Indian Affairs resigns after Interior's IG slams the loan program he oversaw

 $\Rightarrow$   $\Box$ 







### INTERIOR BOARD OF INDIAN APPEALS

Great American Life Insurance Company v. Principal Deputy Assistant Secretary - Indian Affairs

63 IBIA 98 (05/27/2016)

### UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF OHIO WESTERN DIVISION

GREAT AMERICAN LIFE INSURANCE: **COMPANY** 

Civil Action No. 1:16-CV-00699

Plaintiff Judge

THE INTERIOR

1849 C Street, N.W.

Washington, D.C. 20240

Jury Trial Requested

SALLY JEWEL, SECRETARY OF THE INTERIOR 1849 C Street, N.W.

Washington, D.C. 20240

LAWRENCE S. ROBERTS,

ACTING ASSISTANT SECRETARY—

INDIAN AFFAIRS

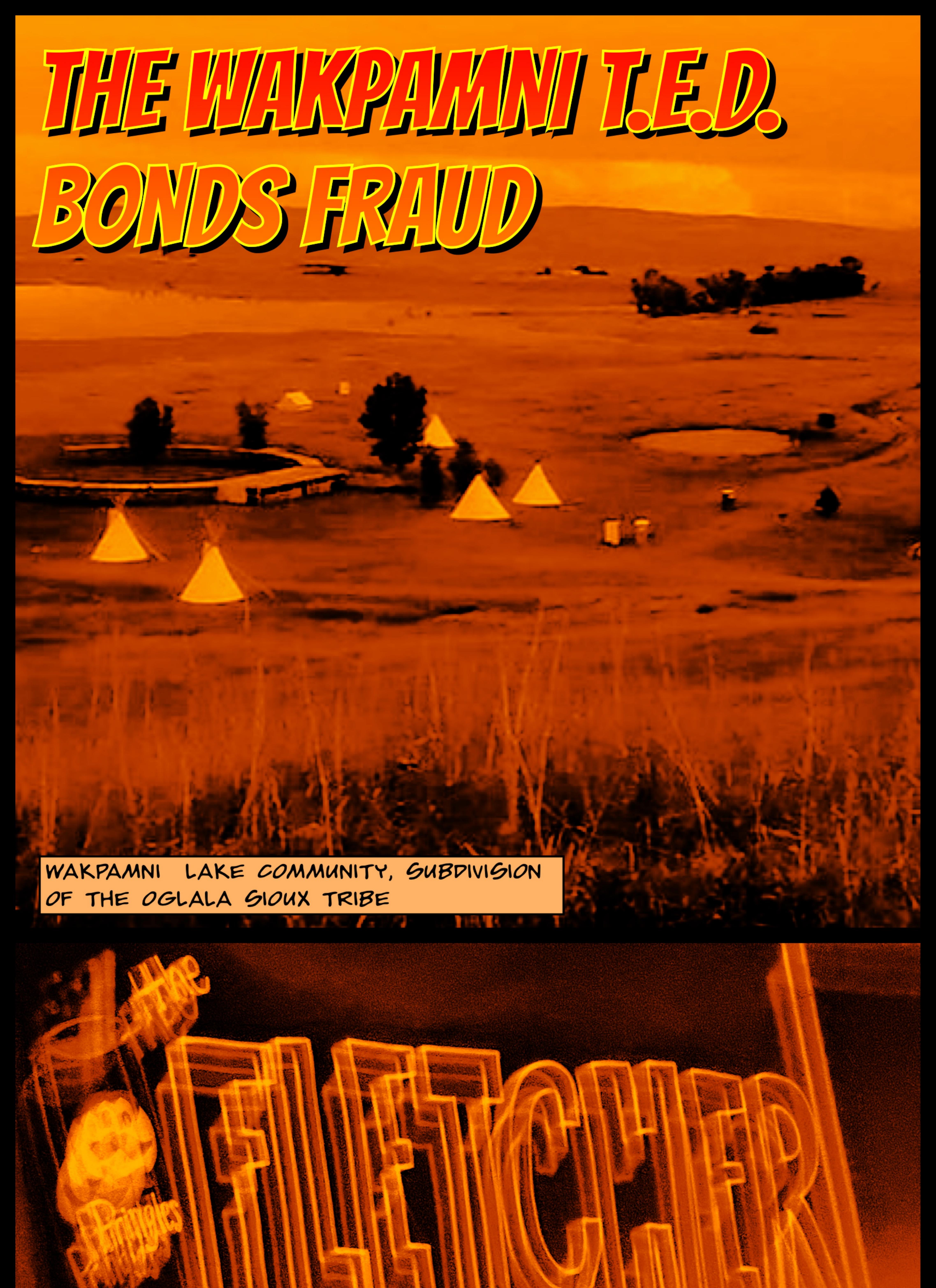
MS-3642-MIB

1849 C Street, N.W.

Washington, D.C. 20240

UNITED STATES DEPARTMENT OF: COMPLAINT FOR DECLARATORY,

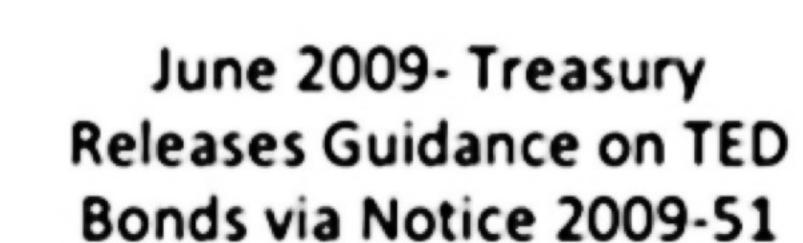
INJUNCTIVE AND OTHER RELIEF



### The Tribal Economic Development Bond Program

**DUNNE**, 2019

Feb 7, 2009 American Recovery and Reinvestment Act Signed into Law September 15, 2009- IRS
Notice 2009-81 announces
TEDB allocation of
\$999,999,999.86 to first
tranche of 58 authorized
applications



July 14, 2010- Treasury requests comments on TEDB program

November 2010 – IRS extends deadline for issuing first \$1 billion tranche of TED Bonds to June 30<sup>th</sup> (with additional 6-month extension if requested by certain date)

February 2013: 9 months after initial changes implemented, roughly 9 applications totaling \$233.4 million applied and only \$214.7 million used (13% of allocation)

2012: IRS Notice 2012-48
states Tribes must use TEDB
allocations within 180 days
of issuance and announces
(July) intent to reallocate
\$1.8 billion of TED Bonds

March 2014- Treasury stated \$1.3 billion of the volume cap was still unused

December 4, 2015: IRS Issues Notice
2015- 83 which allows TEDB allocation
to be accessed through draw-down
loan structure. Also requires new
reporting requirements to
demonstrate readiness and
compliance.

IRS publishes TEDB Volume Cap limit for period commencing April 1, 2019 is \$100 million

Figure 1: Differences in Tax-Exempt Government Bond Issuances, 2014-2020

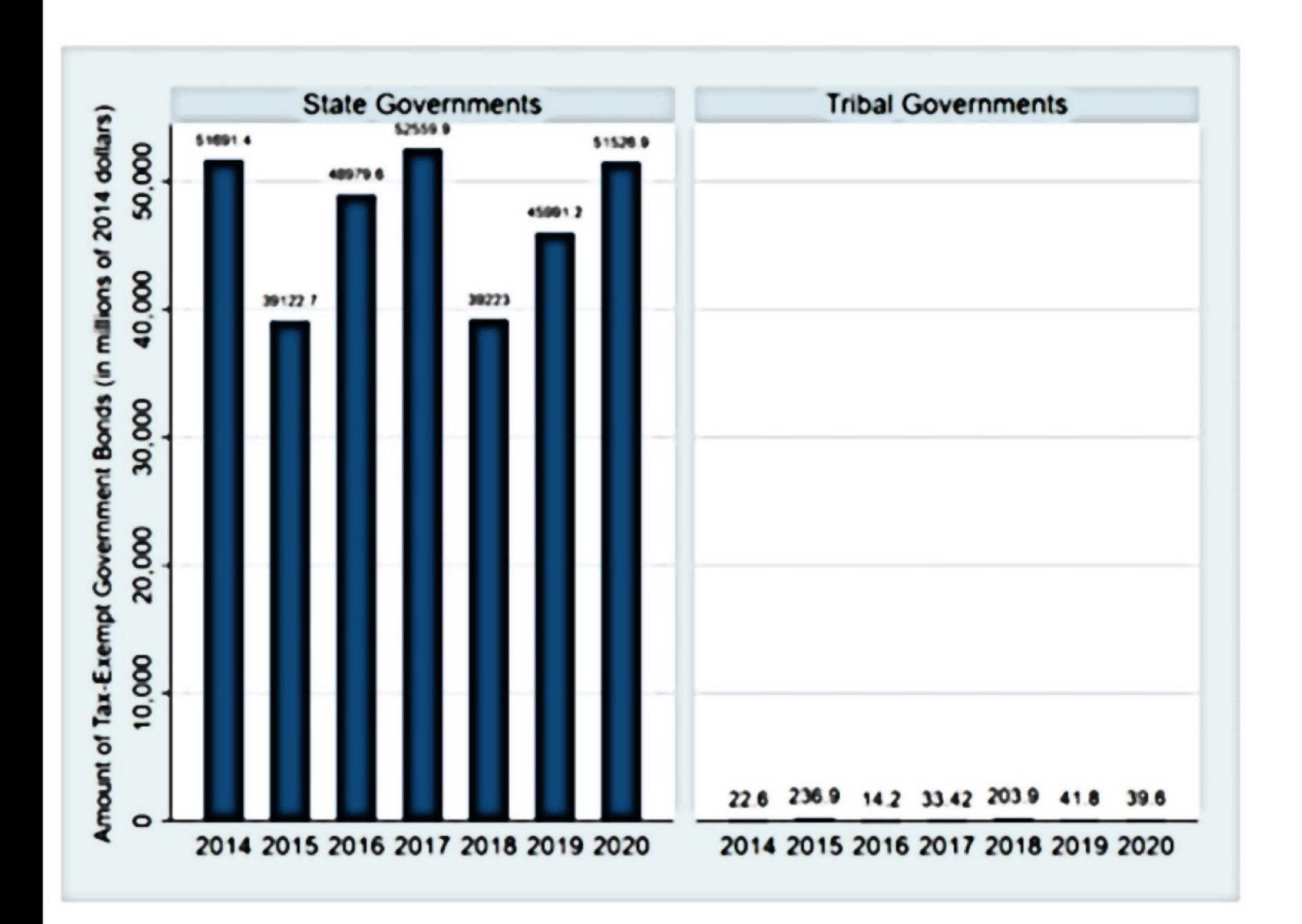
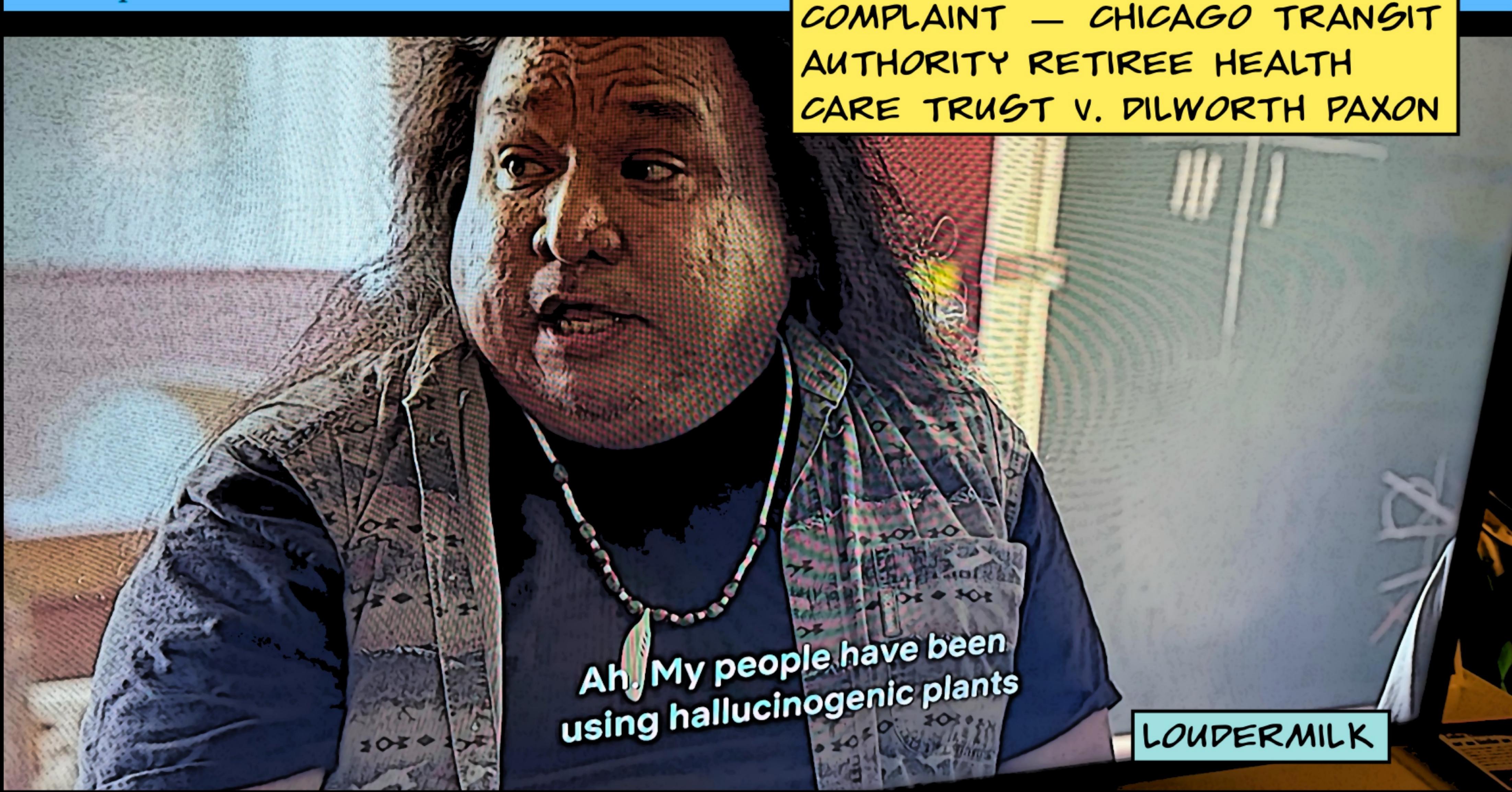


Figure notes: Calculations constructed by authors. Source: The Bond Buyer's 2015-2020 Year In Statis BROOKINGS, 2021 SmartAsset.com 2.

### HE GALANIS SCHEME nis Develop a Plan to Steal Pension Funds.

- 33. In or about 2013, John and Jason Galanis developed a scheme to sell bonds issued by a sovereign tribal entity, the proceeds from which would be used as a "slush-fund" for John and Jason's various business ventures.
- 34. To carry out the scheme, John and Jason needed to find professionals who had the sophistication and credentials to legitimize their plan, but who also had the personal and financial motivation to ignore warning signs, including the Galanises themselves.
- 35. Dilworth partner, Timothy Anderson, is a member of the National Association of Bond Lawyers and, prior to the transactions herein, had significant experience in municipal and public finance.



- 39. In March, 2014, Anderson, while attending a tribal economic development conference in Las Vegas, was asked by Raines to attend a meeting with John Galanis to discuss a proposal for a bond offering by WLCC.
- debt in the form of bonds. Unlike other municipal bonds, the vast majority of the bond proceeds under Galanis's plan would be invested in an annuity contract with an offshore insurance company. The revenues from the annuity contract would then be used to pay the principal and interest payments due on the bonds (*i.e.*, the debt service).
- 41. If the plan worked, it would essentially generate free money for WLCC, which would never have to spend its own funds to repay the bonds. If the plan failed, WLCC could rely

By President or Vice-President	
By: Dethie Blue Burl	
Treasurer or Secretary	
DO THESE SIGNATURES LOOK THE SAME?	

WAKPAMNI LAKE COMMUNITY CORPORATION

By: <u>Henewa</u> Lone Hill President
U.S. BANK NATIONAL ASSOCIATION, a Trustee

By: Authorized Officer

BURNHAM SECURITIES, INC.

By:\_\_\_\_\_

Authorized Officer



7. In 2014 and 2015, WLCC issued the following series of taxable bonds:

Series 2014 Economic Development Program Bonds. Trust Indenture dated as of August 25, 2014, by and between WLCC and the Trustee, pursuant to which \$24,844,089 in principal amount of Special Limited Revenue Bonds (Taxable) Series of 2014 (Economic Development Program) were issued. (August 2014 Trust Indenture, pp. 1-2.)

Series 2014A Economic Development Program Bonds. First Supplemental Trust Indenture (to the August 25, 2014 Indenture) dated as of August 27, 2014, by and between WLCC and the Trustee, pursuant to which \$2,233,347 in principal amount of Special Limited Revenue Bonds (Taxable) Series of 2014A (Economic Development Program) were issued. (Declaration of Timothy G. Pillar ("Pillar Decl.") Ex. C at USB\_SD0000002360, 2363.)

2

Series 2014 (Town Center Development) Bonds. Trust Indenture dated as of September 15, 2014, by and between WLCC and the Trustee, pursuant to which \$15,000,000 in principal amount of Special Limited Revenue Bonds (Taxable) Series of 2014 (Town Center Development) were issued. (Pillar Decl. Ex. D at USB\_SD0000003125, 3129.)

Series 2014A (Town Center Development) Bonds. First Supplemental Trust Indenture (to the September 15, 2014 Indenture) dated as of October 1, 2014, by and between WLCC and the Trustee pursuant to which \$5,000,000 in principal amount of Special Limited Revenue Bonds (Taxable) Series of 2014A (Town Center Development) were issued. (Pillar Decl. Ex. E at USB\_SD0000003267, 3270.)

Series 2015 (Wakpamni Lake Distribution Project) Bonds. Trust Indenture dated as of April 1, 2015, by and between WLCC and the Trustee, pursuant to which \$16,200,000 in principal amount of Special Limited Revenue Bonds (Taxable) Series of 2015 (Wakpamni Lake Distribution Project) were issued. (Compl. Ex. K (Dkt. 1-11) ("2015 Trust Indenture"), pp. 1-2.)

### RESOLUTION OF THE OGLALA SIOUX TRIBAL COUNCIL OF THE OGLALA SIOUX TRIBE (An Unincorporated Tribe)

RESOLUTION OF THE OGLALA SIOUX TRIBAL COUNCIL FORMALLY STATING THAT RAYCEN RAINES AND ASSOCIATES HAS NO AUTHORITY TO ACT ON BEHALF OF THE OGLALA SIOUX TRIBE WITH REGARD TO ANY FEDERAL TAX MATTERS; HAS NO AUTHORITY TO SIGN THE IRS FORM 2848 WITH REGARD TO ANY ECONOMIC DEVELOPMENT OF THE OGLALA SIOUX TRIBE GIVEN BY THE PRESIDENT, AND SPECIFICALLY, TED BONDS; AND FORMALLY RECOGNIZING THAT THE PRESIDENT OF THE TRIBE HAD NO AUTHORITY TO ALLOW RAYCEN RAINES TO SIGN SAID FORM WITHOUT COUNCIL KNOWLEDGE OR APPROVAL.

WHEREAS, the Oglala Sioux Tribe organized in accordance with section 16 of the Indian Reorganization Act of 1934 on December 14, 1935 by adopting a federally approved Constitution and By-laws, and

WHEREAS, the Oglala Sioux Tribal Council at Article IV, Section 1(f) to manage all economic affairs of the Tribe, and

WHEREAS, based on information and belief, OST Tribal Member Raycen Raines did somehow induce President Bryan Brewer to sign an IRS Form 2848 giving him Power of Attorney over "all economic development projects" of the Oglala Sioux Tribe, and

WHEREAS, Raycen Raines was associated with the Tribal Economic Development (TED) bonds project that was proposed and then rejected by the Tribal Council, and

WHEREAS, Mr. Raines has personal knowledge of this failure to approve his involvement in the TED Bonds issue and knows he had no authority to represent any interests of the Tribe with regard to any financial matters, and

WHEREAS, the effect of a successful approval of a Form 2848 with the IRS would then preclude the Tribal Treasurer from exercising his authority over financial matters of the Tribe which he is legally entitled exercise, and

WHEREAS, at no time has the Oglala Sioux Tribe or the Oglala Sioux Tribal Council expressly authorized OST Tribal Member Raycen Raines to engage in these activities, now

THEREFORE BE IT RESOLVED, that the Oglala Sioux Tribal Council hereby expressly states that Raycen Raines and associates has no authority to act on behalf of the Oglala Sioux Tribe with regard to any federal tax matters or other economic development matters with regard to TED bonds or any other economic development projects; and further that the President of the Oglala Sioux Tribe had no authority to allow Raycen Raines to sign said form without Tribal Council knowledge or approval.

### C-E-R-T-I-F-I-C-A-T-I-O-N

I, as the undersigned Secretary of the Oglala Sioux Tribal Council, of the Oglala Sioux Tribe hereby certify that this Resolution was adopted by a vote of:  $\underline{13}$  For;  $\underline{2}$  Against;  $\underline{0}$  Abstain; and  $\underline{0}$  Not Voting; during a

REGULAR SESSION held on the 24TH day of JUNE, 2014.

DECNOR TWO FACTE

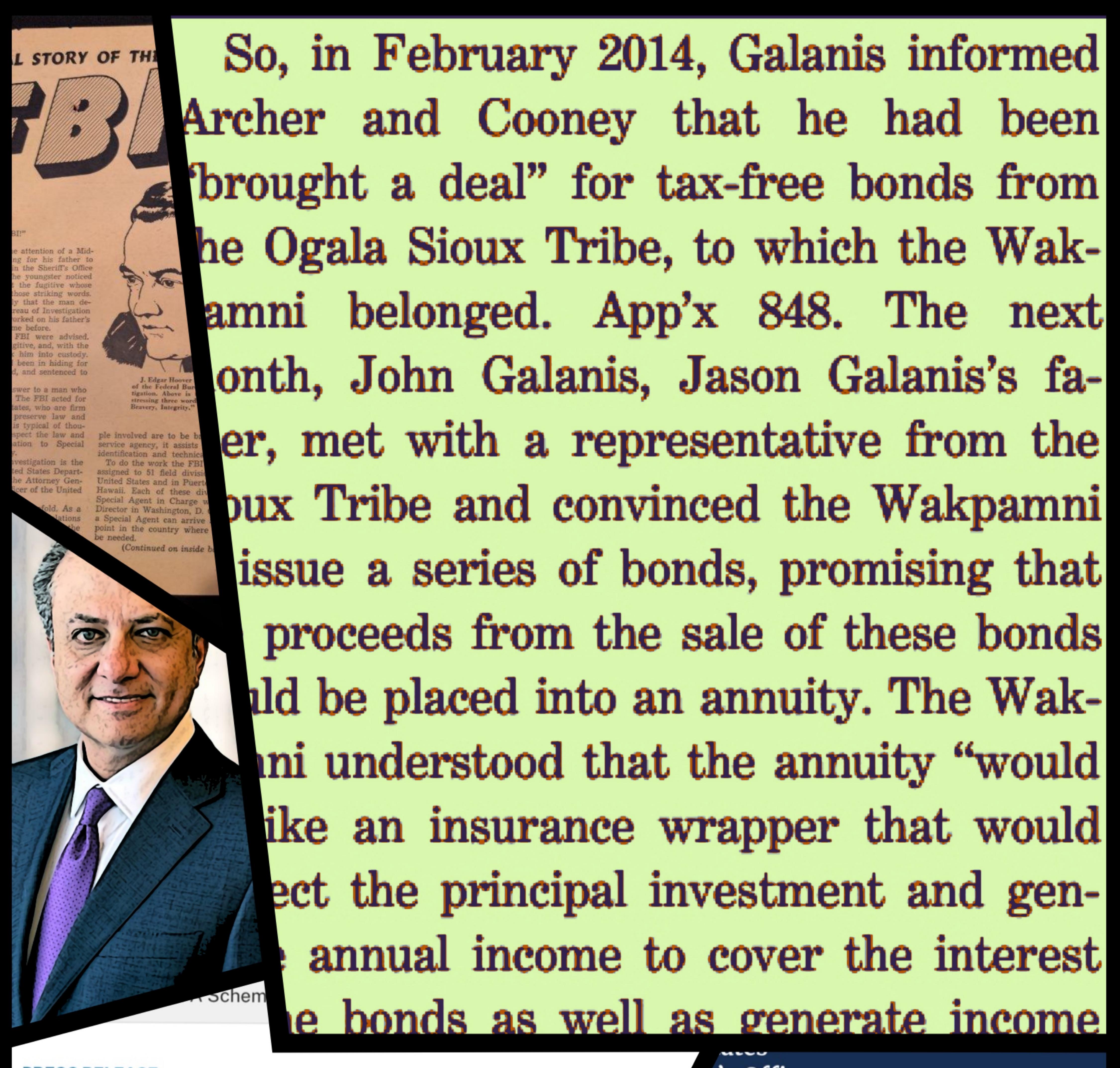
rg's opinion letter, WLCC did not have:

PILIGENCE PROBLEMS (ALLEGED)

a. a lease for the site it was planning to develop;

FROM CHICAGO TRANGIT AUTHORITY RETIREE HEALTH CARE TRUGT V. DILWORTH PAXON COMPLAINT

- b. any as-builts or other construction plans or drawings that reflected a feasible construction project, other than rudimentary site plan drawings prepared by Steven Haynes' wife;
- c. a budget for construction as to reflect that the economic development project was viable or could be completed with the allotted bond proceeds; or
- d. any cash flow analysis reflecting that the economic development project would generate income, as to pay principal or interest on the Bonds.
  - 201. Specifically, like Dilworth, Greenberg stated in its opinion letter that "The Bonds are being issued in order to: (a) finance the purchase of a certain Annuity Investment (as described in the Indenture) . . . . "
  - 202. However, Greenberg knew or should have known through the exercise of due care that the Annuity Provider, WAPCC, was not a company that "provides annuities as part of its regular trade or business," as described in the Indenture.
  - 203. Greenberg also stated that the bonds were being issued to "finance economic development projects for the benefit of the Wakpamni Lake Community, without limitation projects near the junction of Routes 18 and 391, including, *inter alia*, a certain warehouse/distribution center and other revenue producing enterprises."
- 136. Neither Anderson nor Greenberg performed any diligence to evaluate we annuity provider, WAPCC, or "Private Equity Management" had any connection insurance company, Wealth Assurance AG, or had ever issued an analytic was an analytic transaction, as required by the Indenture.
- 137. Had either firm performed any basic diligence or internet search, they we through public records that WAPCC was not a real British Virgin Islands con a Florida corporation set up by Hugh Dunkerley on July 7, 2014.



PRESS RELEASE

John Galanis Sentenced To 10

Participation In A Scheme To

American Tribe And Varior

y's Office District of New York

ivisions 🗸 Priorities 🗸 News 🗸 Resources 🗸

Friday, March 8, 2019

Share >

Robert Khuzami, Attorney for the United States GALANIS was sentenced today by the U.S. Distribal entity and various investment advisory tribal entity and the subsequent sale of the

Igov > U.S. Attorneys > Southern District of New York > Press For Multiple Securities Fraud Schemes

RESS RELEASE

Jason Galanis Sentenced In M For Multiple Securities Fraud

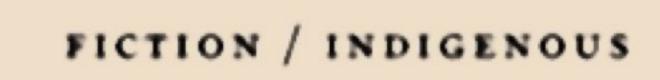
## THE GHOST ROAD: ANISHINAABE RESPONSES TO INDIAN HATING MATTHEW L.M. FLETCHER



Matthew Fletcher examines both the philosophical foundations and anti-First Nation rhetoric that have been codified into laws which suppress and actively harm Native people even before the Revolutionary War, American colonists feared and fought "merciless Indian savages," and through the following centuries, American law and policy have been molded by the relentless tradition of Indian-hating.

From proportional representation and restrictions on the right to bear arms, to the break-up of tribal property rights and the destruction of Indian culture and family, the attacks on tribal governance and people continue and remain endemic. More than just a study of the progression of law, this book balances each chapter's history with the relating of a traditional Anishinaabe story or teaching, providing both context and a roadmap for survival.

"The Ghost Road is an informative, incisive, and witty tour through Native America that reveals the fault lines of US federal and tribal relations while highlighting Native cultural persistence and political innovation." -Tiya Miles, author of The Dawn of Detroit: A Chronicle of Slavery and Freedom in the City of the Straits



"Fletcher's lyrical and lucid collection draws the reader into the heart and depth of each story in a multifaceted portrait of an Anishinaabe community and its people, an immersion into landscapes and lives that is a compelling and satisfying literary experience." —Linda Grover, professor emeritus of American Indian studies at the University of Minnesota Duluth and a member of the Bois Forte Band of Chippewa

"Come, journey into the life, the stark truths, the unbelievable circumstances that Native Americans contend with on a daily basis. Fletcher has opened up our universe to allow you, the reader, a chance to share the usually unspoken."

—Louis V. Clark III (Two Shoes), author of How to Be an Indian in the 21st Century and Rebel Poet

MATTHEW L. M. FLETCHER is the Harry Burns Hutchins
Collegiate Professor of Law and professor of American
culture at the University of Michigan Law School. He is the
author of Ghost Road: Anishinaabe Responses to Indian
Hating, which has won several independent publisher
awards. He has also published stories in the graphic story
collections Trickster and A Howl. Fletcher is a member of
the Grand Traverse Band of Ottawa and Chippewa Indians.







