



**U.S. Department of Justice
Michael W. Cotter
United States Attorney
District of Montana**

NEWS RELEASE

FOR IMMEDIATE RELEASE

August 9, 2011

Contact:

Jessica T. Fehr

Assistant U.S. Attorney for the District of Montana

(406) 247- 4637

DUANE DALE BIG EAGLE FOUND GUILTY IN U.S. FEDERAL COURT

The United States Attorney's Office announced that on August 4, 2011, in Pierre, South Dakota, after a federal district court trial before U.S. District Judge Roberto Lange, DUANE DALE BIG EAGLE, a 61-year-old resident of Fort Thompson, South Dakota, was found guilty of conspiracy to commit bribery of a tribal official and bribery involving an agent of an Indian tribal organization. Sentencing is set for October 24, 2011. He is currently released on special conditions.

At trial, the following evidence and testimony was presented to the jury.

BIG EAGLE was the Chairman of the Crow Creek Tribal Council from May 2004 to May 2006. BIG EAGLE is currently the Chairman of the Tribe. BIG EAGLE has been the chairman for the Tribe for 13 of the past 19 years.

Evidence was presented that BIG EAGLE was part of a conspiracy to accept bribes in return for awarding tribal no bid contracts to Kutz Construction to build a new dorm and kitchen facility and other work at the Tribal School following a fire in April 2005 which transactions well exceeded \$5,000. The bribes were paid for Kutz receiving construction

work and continued payment on invoices submitted by Kutz directly and through another contractor, Nystrom Construction.

From July 22, 2005, through December 13, 2005, BIG EAGLE received approximately \$16,000 from Kutz Construction, via Scott Raue, Superintendent of the Tribal School. Raue recommended granting contracts to Kutz, but the Tribal Council/School Board of which BIG EAGLE was a member, has the authority to grant the contracts, and ultimately BIG EAGLE was in the position of approving invoice payments to Kutz. BIG EAGLE accepted the bribes with the intent to be influenced to grant work and approve payments. BIG EAGLE, Raue, Kutz and other council members accepting bribes agreed to take possession of money corruptly and therefore commit a crime against the United States.

Raue testified that he obtained payments from Kutz by picking cash up from the Kutz building in the back yard. Raue, as Superintendent of the schools, would keep a portion of the money he picked up for himself, and then would provide a cut to BIG EAGLE and other members of the council for favorable treatment to Kutz Construction.

During the summer of 2005, Crow Creek Tribal School construction project Denver architect, Craig McClatchey, made bribe payments to Raue, and through Raue, to BIG EAGLE. McClatchey admitted to paying between \$80,000 and \$120,000 in cash to Scott Raue over a three year period. McClatchey said for the most part, he would send cash to Raue using Federal Express, but there were two to three occasions when he gave Raue money in person.

McClatchey recounted a meeting in the summer of 2005, with Raue and the Tribal Chairman at a sports bar in Pierre. McClatchey testified that the Chairman asked "you're going to play ball with us, aren't you, Craig?" which McClatchey understood to mean make bribe payments in exchange for obtaining, keeping, or receiving payment for work done at Crow Creek.

BIG EAGLE was also involved in a conspiracy to award contracts in 2008 to First Dakota Enterprises, owned and operated by Archie Baumann, to build housing for the Tribal Schools and to get First Dakota/Baumann paid for outstanding invoices and loans. Baumann paid bribes to certain council members in 2008, including then Chairman Brandon Sazue; Vice Chairman Norman Thompson; and Treasurer Randy Shields. Thompson testified that he had received approximately \$12,000 from Baumann during the summer of 2008.

As of October 21, 2008, when a meeting was held at Baumann's business, bribery indictments from the 2005 fire reconstruction projects had already started to be issued. Raue had been indicted and was awaiting trial. On October 21 Baumann paid a \$5,000 bribe to Tribal Council members using BIG EAGLE as the middle-man. BIG EAGLE cashed the check and gave \$1,000 in cash to Sazue, Norman Thompson, Shields, and another individual present. He kept \$1,000 for himself. During the meeting BIG EAGLE agreed to have the check made out to him since he was not on the council at that time to assist the transaction and avoid the suspicion that would accompany checks payable directly to the current council members.

Assistant U.S. Attorneys Carl E. Rostad and Victoria L. Francis prosecuted the case for the United States.

BIG EAGLE faces possible penalties of 20 years in prison, a \$750,000 in fines, and 3 years supervised release.

The investigation was a cooperative effort between the U.S. Department of Interior - Inspector General's Office, the Federal Bureau of Investigation, and an investigator with the U.S. Attorney's Office for the District of South Dakota. .

###