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Former Passamaquoddy Governor Sentenced to Prison for Conspiracy and Fraud

Bangor, Maine: United States Attorney Paula D. Silsby announced today that Robert L. Newell, the former Governor of the Passamaquoddy Tribe, Indian Township, was sentenced to sixty months in prison for conspiring to defraud the United States and other offenses committed while serving as tribal governor from 2002 to 2006. Newell, sixty-five years old, was sentenced by U.S. District Judge George Z. Singal in U.S. District Court in Bangor. Newell was also ordered to serve a three-year term of supervised release upon his release from prison and ordered to pay restitution in the amount of \$1,741,876.18 to the victims in this case.

Newell was convicted on November 20, 2008, after a trial that lasted nearly three weeks, on twenty-nine counts, including conspiracy to defraud the United States, misapplication of tribal government funds, misapplication of health care benefit program funds, making false statements to a U.S. government agency and submitting false claims to a U.S. agency.

According to U.S. Attorney Silsby, Newell was convicted of conspiring with James J. Parisi, Jr., the Director of Finance at the tribe from 2003 to 2006. The conspiracy involved the misapplication of more than \$1.7 million dollars in restricted federal funds awarded to Indian Township for its tribal programs, including more than \$800,000 in funds from the Bureau of Indian Affairs and approximately \$500,000 from the U.S. Department of Health and Human Services. Other funding agencies victimized by Newell included the U.S. Department of Housing and Urban Development, the U.S. Environmental Protection Agency, the U.S. Department of Justice COPS Program and the State of Maine.

Silsby further stated that Newell used some of the restricted funds for the benefit of himself and some family members. However, most of the federal funds diverted by Newell went to pay general assistance to tribal members. Newell paid approximately \$1.6 million in general assistance to tribal members during 2006, his last year in office. Newell also used funds awarded to the tribe's Indian Health Center, the substance abuse and HIV prevention program, and the Environmental Department to pay individuals who did not work for those programs, including one of Newell's sons, a niece, and several Tribal Council members. In 2006, Newell also diverted tribal government employee retirement account funds, affecting more than fifty tribal employees.

Silsby praised the cooperative efforts of the federal law enforcement agencies that worked together on this case.

This matter was investigated by special agents from the respective Offices of Inspector General of the U.S. Department of Interior, U.S. Department of Justice, U.S. Department of Health & Human Services, U.S. Department of Housing & Urban Development, and the U.S. Environmental Protection Agency, as well as investigators from the U.S. Department of Labor, Employee Benefits Security Administration, and the U.S. Attorney's Office.