

## Creek Nation chief: Tribe may be under FBI investigation

TIM CHAMBERLIN / Tulsa World

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During the past year, federal investigators have conducted an undercover operation of the Muscogee (Creek) Nation, apparently looking into alleged tobacco kickbacks to Creek Nation employees, an official said.

Creek Nation Chief A.D. Ellis said that a dozen FBI agents descended upon the Creek Nation headquarters in Okmulgee in April.

The agents focused primarily on the tribe's Trade and Commerce Authority and a tobacco warehouse once used to store and distribute Indian-made cigarettes without an Oklahoma tax stamp, Ellis said.

The Trade and Commerce Authority is the tribe's business entity, Ellis said.

Additionally, Ellis estimated that about 40 federal agents had been working throughout the Creek nation, questioning various individuals as part of the investigation.

In an exclusive interview with the Tulsa World, Ellis said that he has spent about three years trying to get federal officials to look into alleged corruption within the Creek Nation.

"For a long time, I have been aware of corruption, and I have gone to many individuals and agencies asking for help, and they have all said we don't want to get involved," Ellis said. "I have spent the last three years working with the FBI by contacting them to get something done."

During the past seven months, 14 people have been charged with embezzlement or bribery by a special tribal prosecutor, records show.

Ellis said he has years of records and documents that he believes show questionable or illegal activities within the Creek Nation.

"This is my 20th year here," Ellis said. "I have a briefcase, and I have kept a copy of all this illegal stuff that has been going on for years. I have given a copy to the Department of Justice in Washington, D.C.," Ellis said.

Based on his interaction with the FBI, Ellis said he believes agents have been conducting an undercover investigation of the tribe and its operations.

Before the investigation began, Ellis said, he had approached the FBI locally and the Department of Justice in Washington, D.C., attempting to get help with alleged tribal corruption.

FBI agent and spokesman Clay Simmonds referred the World to the U.S. Attorney in the Eastern District.

First Assistant U.S. Attorney Doug Horn of the Eastern District said his office could not confirm or deny an investigation of the Creek Nation.

Roger Barnett, speaker of the National Council of the Creek Nation, said he was unaware of an investigation by the federal government.

"I have no direct knowledge of an FBI investigation," Barnett said. "And the council is not investigating anything. There has been no evidence of any actions to be investigated at this time."

### Criminal charges

In his second term as chief, the 75-year-old Ellis is an embattled leader. Ellis said he has won a dozen court battles protecting the Creek Nation constitution challenged by other Creek officials. But his efforts to secure a tobacco compact with the state to settle a long-standing tax feud has been rejected by the Creek Nation Council, records show.

Ellis admits that he has made numerous enemies by taking over financial oversight of casinos, which once was the purview of various chartered Creek communities, he said.

The tribe's special prosecutor is Rod Wiemer, an Okmulgee attorney who has filed criminal charges against numerous Creek Nation citizens and former employees, records show.

Eleven individuals associated with the Duck Creek Community near Beggs were charged October 2010 with embezzlement, Creek Nation District court records show.

Jeanetta Carr is accused of embezzling \$124,900 in March 2009 from the Duck Creek community, her criminal charges state. Carr reportedly distributed the money to other individuals associated with Duck Creek, court records show.

The embezzlement charges against Carr and the others have been placed on hold through a preliminary injunction granted by a federal judge in the Eastern District of Oklahoma, Wiemer said. The tribe is appealing the injunction to the 10th U.S. Circuit Court, Wiemer said.

When asked if his office is the target of the FBI investigation by federal officials, Ellis said: "No. I haven't done anything wrong."

When asked if other Creek Nation officials are under investigation, Ellis said he was not certain.

"I imagine there are a few people nervous around here," Ellis said.

An official who asked to remain anonymous said that FBI agents in April took tribal documents and spoke with Creek officials, including former Creek Tax Commissioner Dana M. Johnson, 43.

Johnson and two other Creek officials were charged with bribery May 19 in Creek Nation District Court, records show. The three have been terminated from their jobs, Ellis said.

#### Tobacco-related issues

Ellis fired Johnson on May 3 after she confessed to him that she had been taking bribes from a tobacco wholesaler, Ellis said.

Johnson has been charged with four counts of bribery, including an attempt to allegedly give the chief \$3,600 from Randy Benham, owner of Briggs Wholesale Tobacco Co., Creek Nation District Court records show.

Johnson allegedly left \$3,600 in an envelope in Ellis' office in January 2009 as part of an alleged payoff by Benham and Briggs Tobacco, Creek Nation District Court records show.

"I immediately called the Lighthorse office (tribal police), who took the money and locked it up until we decided what to do about it," Ellis said.

The Lighthorse kept the money until Ellis turned it over to the FBI in April 2009, Ellis said. Ellis produced a receipt showing that he had given the money to the FBI.

"At first, the FBI gave me a hard time for hanging on to the money for so long, but then they said I did the right thing," Ellis said. "I held on to it because I was not sure if my own people were setting me up. I wanted to see what they would do next."

In a letter dated May 20, Wiemer corroborated Ellis' handling of the alleged bribery money. He also said Ellis initiated an investigation that led to Johnson and two others being charged with felony bribery, the letter states.

Benham pleaded guilty Nov. 24, 2009, to defrauding Mississippi, South Carolina and the United States out of \$20 million in tobacco taxes and proceeds, said Krisi Allen, spokeswoman with the U.S. Attorney in the Northern District of Mississippi.

Benham's crime involved unlawful distribution of cigarettes, preparing false tobacco reports and money laundering, court records show.

Benham could not comment for the World story, his attorney Steven Farese said.

In the past, the World has reported that several Creek-licensed smoke shops were handling Indian-made cigarettes without a state tax stamp.

In a lawsuit against several Creek-licensed smoke shops, the Oklahoma Tax Commission alleges that the Creek Nation has maintained a warehouse in Okmulgee to stock contraband cigarettes for distribution, U.S. District Court in Tulsa records show.

Tribal officials have justified handling Indian-made cigarettes by claiming sovereignty, which prohibits state interference in Indian commerce, Ellis said.

Ellis said he has reconsidered this view. "I used to believe this, but it's made the tribe look bad to the public," Ellis said. "I have gotten blamed for the tribe not having a (tobacco) compact with the state, but I have been trying to get one approved for years, but the (Creek) council has not approved one."

Ellis said he is attempting to reopen compact talks with the state. As part of a long-standing tobacco feud between the state and the tribe, the Creek Nation has gone more than five years without a tobacco compact.

Ellis said he recently ordered Trade and Commerce Authority and its tobacco warehouse to get rid of all Indian cigarettes.

"And I gave the smoke shops 30 days to clear out their inventory. All contraband cigarettes are gone from our warehouse," Ellis said.

#### Duck Creek embezzlement charges

The players: 11 individuals associated with Duck Creek Indian Community and Casino

Felony charges - Conspiracy to embezzle funds from Duck Creek Community

Charged October 2010 - Muscogee (Creek) Nation District Court, Okmulgee.

Result: U.S. District Judge places the charges on hold with a restraining order. Creek Nation has appealed to the 10th U.S. Circuit.

Cecil S. Harry - conspiracy to embezzle \$124,932

Jeanetta Carr - conspiracy to embezzle \$124,932

Jeff Fife - conspiracy to embezzle \$20,789 on March 5, 2009.

Ted Tiger - conspiracy to embezzle \$4,934.

Jess Harjochee - conspiracy to embezzle \$15,221.

Robert L. Yargee - conspiracy to embezzle \$4,613

William R. Luellen - conspiracy to embezzle \$14,735

Joseph L. Domebo - conspiracy to embezzle \$4,453

Cecilia L. Wittman - conspiracy to embezzle \$4,342

Jennie C. Goodell - conspiracy to embezzle \$15,487

Daniel Wind - conspiracy to embezzle \$40,354

Source: Creek Nation District Court records

Three Creek Nation employees charged with bribery May 19

Former Creek Nation Tax Commissioner Dana M. Johnson, 43 - charged with four counts of bribery in Creek Nation District Court. Johnson is accused of accepting \$3,500 and an additional \$3,600 from Randy Benham, owner of Briggs Wholesale Tobacco, in January 2009. Between August 2009 and December 2010, Johnson also is accused of accepting \$10,000 from Marvin Wesley of the Seneca-Cayuga Tobacco Co.

Gene Antone Lee, 39 - charged with three counts of bribery in Creek Nation District Court. Lee is the former warehouse manager of the Creek Nation Trade and Commerce Authority, records show. In one count, he is accused of accepting \$7,000 from Benham in January 2009, records show.

Edward C. Warrington, 61 - charged with one court of bribery May 19, 2011, in Creek Nation District Court. Warrington is also listed as a former warehouse manager for the Creek Nation Trade and Commerce Authority, records show. Warrington is charged with accepting \$7,600 from Benham in January 2009.

Source: Creek Nation District Court records

Original Print Headline: Chief: 'I have been aware of corruption'

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