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Out of sight, out of mind, Crow Creek is a disaster

August 06, 2011 | BY BOB MERCER | American News Correspondent

PIERRE — The federal corruption investigation at the Crow Creek reservation didn't go far enough. The bribery and conspiracy trial of tribal chairman Duane Big Eagle was a window into the financial mess there.

Recommend

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During the trial, former chairman Lester Thompson Jr. testified that when he took office in 2006, succeeding Big Eagle, the tribal government owed \$4 million to the Internal Revenue Service.

Someone needs to explain how this happened.

The Crow Creek tribal government derives its authority and receives most of its funding from the federal government. How, then, did Crow Creek get \$4 million into debt on federal payroll taxes?

The taxpayers of the American general public deserve answers.

Thompson said the Crow Creek government owed about \$25 million overall when he took over.

He tried to put a stop to what he could. He started looking at the financial records. He asked for help from the Bureau of Indian Affairs' office of inspector general.

Several construction contractors were banned by the tribal council from doing further business with the tribe.

One of the businesses was making loans to the tribe at high rates of interest.

The 2008 election for tribal chairman saw Brandon Sazue defeat Big Eagle. Bribes quickly came Sazue's way.

Randy Shields, a council member, delivered the first \$1,000 check to Sazue. Shields called Sazue to his house. They were at the garage when Shields presented it to Sazue.

Sazue said he didn't ask for the money. He said his heart beat fast. He knew it was a bribe. He cashed the check and spent the money.

Later, he was given a check for \$3,000 and asked to cash it so he could give \$1,000 each to Shields and Norman Thompson Sr., a council member and tribal treasurer. Sazue did as instructed and spent his \$1,000 share.

During the same period, the council met, without Sazue there, to confer upon him all power over tribal contracts.

Meetings recorded

Sazue eventually went to the BIA inspector general's office, too. After that he became an undercover informant for the BIA and FBI, wearing a recording device.

He taped two dozen to three dozen meetings, playing along like he was part of the bribery ring.

One recording at First Dakota Enterprises in Fort Pierre caught Archie Baumann, the business owner who made high-interest loans to the tribe, writing a \$5,000 check to Big Eagle. Big Eagle cashed the check, kept \$1,000 and gave \$1,000 apiece to Sazue, Thompson, Shields and a fourth man.

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The word spread in the Crow Creek community that Sazue was gathering information for federal prosecutors. The council suspended him from office so an investigation could be conducted. One of the counts in the official resolution was that he had recorded council meetings without their knowledge.

Sazue was out of office for about six weeks. He completed the term and ran for re-election in 2010. Big Eagle beat him by 11 votes.

How ring worked

The bribery ring worked in many ways. One technique that Crow Creek school superintendent Scott Raue used was to arrange for contractors to overbill on projects and pay the extra to Raue to spend and to pass along to council members and Big Eagle.

Baumann testified that he was owed more than \$600,000 by the tribal government. He paid Big Eagle tens of thousands of dollars for many purposes, and he paid other council members thousands of dollars, too.

Baumann said he hoped the payments, which he said were loans, would influence them so that he could be paid what he was owed.

He said he didn't find any success in going through the tribal court system because it was corrupt.

The federal judge at Big Eagle's trial didn't allow tens of thousands of dollars in checks from Baumann to Big Eagle to be admitted as evidence.

The judge said they weren't tied to the specific incidents for which Big Eagle was charged with bribery and conspiracy.

The judge said the checks could be prejudicial against Big Eagle if jurors thought the checks showed a propensity for Big Eagle to accept money from Baumann.

Some of the checks were described as campaign contributions.

Harsh words

By the end of the trial, it wasn't clear whether Baumann was being played by Big Eagle and Thompson, or he was playing right there with them. He is serving federal prison time for his role.

What became clear is a reservation, at least Crow Creek, isn't a safe place to do business. That is a harsh statement.

But when a government doesn't pay its bills, and when its officials openly take bribes, and when an election for chairman is between two bribe-takers, and when tribal debts run into millions of dollars for a government that serves 1,200 to 1,400 members, and when the federal government has allowed those debts to soar . . . a harsh statement is justified.

Yes, the federal investigations that produced many guilty pleas from Baumann, Raue, Norman Thompson, Shields and others, and the jury's conviction of Big Eagle on three counts on Thursday, were a big step.

But they don't come close to cleaning up the real problems. Taxpayers deserve better. The honest people at Crow Creek deserve better.

In addition to his newspaper work, reporter Bob Mercer is blogging about South Dakota politics and government. Find his blog, Pure Pierre Politics (also known as P3), at www.my605.com/pierrereview.