



Department of Justice

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TWO MEN ACCUSED OF FRAUD AGAINST WARM SPRINGS TRIBE

PORTLAND, Ore.—U.S. Attorney Billy J. Williams announced today that two men have been charged with Fraud crimes against the Confederated Tribes of Warm Springs, Oregon.

A federal grand jury in Portland has returned a 6 count indictment charging Roderick Ariwite, age 65, a resident on the Fort Hall Reservation in Idaho, and Thomas Adams, age 48, a resident on the Warm Springs Reservation, with Conspiracy and Theft/Misapplication of Funds from a Tribal Organization. This indictment charges Ariwite and Adams with conspiring to misappropriate \$93,700 of tribal funds and with five counts of substantive misappropriation of tribal funds.

In a separate indictment, Ariwite is charged alone with Interstate Transportation of Security Taken by Fraud. This indictment alleges interstate transportation of a \$23,000 check Ariwite obtained by fraud from a board member of a tribal business entity.

According to the indictments, Ariwite was CEO of the Warm Springs Economic Development Corporation (WSEDC) d/b/a Warm Springs Ventures (WSV). WSV operates as the management organization for several tribal business ventures. One of those ventures is the Warm Springs Construction Enterprise (WSCE). WSCE bids on and executes construction projects like building roads and commercial buildings. Thomas Adams was Manager of WSCE, under the supervision of Ariwite.

The indictment against Ariwite and Adams alleges that beginning in October 2017, Ariwite and Adams created their own construction company called Warbonnet Construction Services. Thereafter, and on tribal time, while drawing tribal salaries and travel reimbursements, they engaged in work projects for Warbonnet. The indictment alleges that in one instance Ariwite and Adams used \$48,900 in tribal funds to hire a subcontractor for a Warbonnet construction project.

The indictment also alleges Ariwite and Adams hired REDD, a consulting company Ariwite operated, for two projects that gave no benefit to the Tribe. Ariwite and Adams paid REDD \$9,800 to create a Statement of Qualifications (a marketing brochure) for WSCE. Ariwite and Adams jointly created the SOQ and they allegedly included false and fabricated information about WSCE. For instance, most of the construction projects the SOQ said WSCE

had worked on were in fact projects by a private construction company Ariwite and Adams worked with through Warbonnet. Additionally, some of the supposed WSCE professional staff the SOQ profiled were employees of the private construction company. Ariwite and Adams submitted the false and fabricated SOQ to WSCE and allegedly enriched themselves with \$9,800 of tribal funds.

Ariwite and Adams also paid REDD \$28,000 in tribal funds to create and submit to the U.S. Small Business Administration what is known as an 8(a) application. SBA operates a business development program for small, disadvantaged businesses and an 8(a) certification gives preferences to bid on government contracts. REDD never produced an 8(a) application. In this way, Ariwite and Adams allegedly misapplied \$28,000 in tribal funds and enriched themselves with these funds.

The separate indictment against Ariwite alleges that in May/June 2018, Ariwite defrauded a WSV board member and transported the \$23,000 fraud proceeds, in the form of a check drawn on the board member's personal bank account, from Oregon to Idaho.

The Federal Bureau of Investigation investigated this case with assistance from the Warm Springs Police Department. It is being prosecuted by Seth D. Uram, Assistant U.S. Attorney for the District of Oregon.

An indictment is only an accusation of a crime, and a defendant is presumed innocent unless and until proven guilty.

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