



**U.S. Department of Justice**

***Donald A. Davis***  
***United States Attorney***  
***Western District of Michigan***

*The Law Building, 5th Floor*  
*330 Ionia Avenue, N.W.*  
*Grand Rapids, Michigan 49503*

*Mailing Address:* (616) 456-2404  
*United States Attorneys Office* Facsimile (616) 456-2408  
*Post Office Box 208*  
*Grand Rapids, Michigan 49501-0208*

**FOR IMMEDIATE RELEASE**  
**WEDNESDAY, December 15, 2010**  
[www.usdoj.gov/usao/miw/](http://www.usdoj.gov/usao/miw/)

**CONTACT: MAARTEN VERMAAT**  
**ASSISTANT U.S. ATTORNEY**  
**PHONE: (906) 226-2500**

**FORMER CHIEF OF POLICE FOR SAULT TRIBE OF CHIPPEWA INDIANS**  
**SENTENCED AFTER PLEADING GUILTY TO CONSPIRACY TO**  
**DEHRAUD THE UNITED STATES**

MARQUETTE, Mich. – Frederick James Paquin, age 53, of St. Ignace, Michigan, and the former Chief of Police for the Sault Tribe of Chippewa Indians, was sentenced to 12 months' and one day imprisonment to be followed by 2 years of supervised release, and ordered to pay \$231,785.03 in restitution to the United States of America, U.S. Attorney Donald A. Davis announced today. On July 23, 2010, Paquin had pled guilty to conspiracy to defraud the United States by dishonest means.

The significant sentence handed down today stems from Paquin's misuse of federal grant funds awarded to the Sault Tribe Police Department between 2002 and 2008. Paquin served as the Sault Tribe Chief of Police from 2007 until October 2008. The federal grants were awarded under the U.S. Department of Justice's Tribal Resources Grant Program (TRGP) which is administered by the U.S. Department of Justice's Office of Community Oriented Policing Services (hereinafter "the COPS Office"). Grants awarded to the Sault Tribe Police Department under the TRGP were intended to help the Sault Tribe address their most serious unmet financial needs for law enforcement. Paquin unlawfully violated the terms of the federal grants in various ways.

One way of violating the terms of the grants and thwarting their intended purpose was by obtaining false and fictitious purchase invoices to divert grant funds to accounts held by various vendors with which the Tribal Police Department did business. In short, Defendant created records of purchases that didn't actually take place. In turn, the Tribe's Purchasing Department reviewed the paper records of the supposed purchases and then unwittingly paid the vendors for items that were not actually purchased by the Tribal Police Department, thereby creating a credit in the Tribal Police Department's account to the vendors. Once the grant funds were diverted as credits into these vendor accounts, they were no longer subject to oversight by the Tribal Purchasing Department or the COPS Office. As a result, Defendant could and did use these credits (actually federal taxpayer dollars) in any way he saw fit, without any oversight and in complete violation of the grant terms. In essence, Defendant created a way to funnel federal taxpayer dollars into "slush funds" that only he knew about and controlled.

Defendant used a substantial portion of these illegally obtained and concealed credits to enhance his own status within the Tribe. For example, he used grant funds to purchase an ATV that was to be used for a charitable raffle, but told people that he purchased the ATV with his own money. He also publicly asked vendors to make “donations” to the Tribe’s Junior Police Academy, but authorized them to take money from the Tribal Police Department’s account, which contained diverted grant funds, to make these donations. Defendant also personally and directly benefitted from the grant diversion scheme, such as when he used credits at one vendor to help finance his son in law’s lease of a vehicle or when he used credits to purchase sporting items for his personal use.

Defendant also cheated the TRGP program in other ways. For example, he purchased items with grant funds that on their face appeared to be for the use of Sault Tribe Police Department but were in fact given away to other organizations in direct violation of the grant terms. Examples include: (1) Motorola radios given to Tribal casinos, (2) Glock handguns given to the Manistique Police Department, (3) defibrillators provided to Tribal casinos and a health club, (4) uniforms given to Tribal casino security officers, and (5) various other items such as flashlights and cameras that were given to other police departments.

As both Tribal Chief of Police and Tribal Board member, Paquin exercised unchecked power within the Tribe and operated the Police Department as his own private fiefdom. Paquin increased his own personal esteem within the Tribe and the broader law enforcement community by illegally dispensing items purchased with grant funds as if they were his own property. He continually resisted all attempts at oversight by Tribal Accounting, and all but prevented the FBI from investigating crimes on Tribal lands. As a result of these illegal activities Paquin was able to divert and wrongfully use grant funds in excess of \$300,000.

In addition to the grant fraud set forth above, Paquin also defrauded the Sault Tribe directly by maintaining his daughter as a full time employee of the Tribe Police Department for almost a year despite the fact that she had left her employment with the Tribe to become a full time student teacher. The ghost employee fraud cost the tribe approximately \$43,000 in unearned wages paid to Paquin’s daughter.

In open court Paquin admitted to the full range of his criminal conduct including diverting \$242,000 in federal grant funds and having his daughter receive a full time salary when she was not performing work for the Tribe. Paquin went on to apologize to the Tribe, the U.S. Attorney’s Office, the Court and his family for his criminal conduct.

U.S. Attorney Davis stated: “The respect and confidence that tribal members place in their tribal institutions is dependant upon receiving honest and faithful services from their tribal officials. This office will aggressively pursue and prosecute tribal officials who violate their solemn oath and duties.” Elise Chawaga, Special Agent in Charge for the Office of the Inspector General, Fraud Detection Office, said “the Office of the Inspector General is committed to holding accountable, public officials who betray the trust placed in them by using for personal gain Department of Justice grant funds that were intended to benefit the public.” FBI Special Agent in Charge Andrew G. Arena noted that “these charges are examples of corrupt government officials who have abused their positions for personal gain.” He added that “public corruption is a top criminal priority of the FBI and will not be tolerated. This investigation demonstrates the FBI’s commitment to investigating public corruption on every level and bringing those who betray the public’s trust to justice.”

This case was investigated by the Bureau of Indian Affairs, the Federal Bureau of Investigation, and the U.S. Department of Justice's Office of the Inspector General, Fraud Detection Office. The case was prosecuted by Assistant U.S. Attorney Maarten Vermaat.

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