

AO 257 (Rev. 6/78)

DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT

BY: COMPLAINT INFORMATION INDICTMENT
 SUPERSEDING

Name of District Court, and/or Judge/Magistrate Location

NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

OFFENSE CHARGED

18 U.S.C. Section 371 -
CONSPIRACY TO COMMIT EMBEZZLEMENT AND THEFT
FROM AN INDIAN TRIBAL ORGANIZATION

- Petty
- Minor
- Misdemeanor
- Felony

PENALTY: 5 years imprisonment
\$250,000 fine (or twice the gross gain/gross loss, whichever is greater)
3 years supervised release
\$100 special assessment

DEFENDANT - U.S.

RON LEVALLEY

DISTRICT COURT NUMBER

CR 13 683

WHA

PROCEEDING

Name of Complainant Agency, or Person (& Title, if any)

FBI (S/A Justin Badger); DOI OIG (S/A Kehinde Oladapo)

person is awaiting trial in another Federal or State Court, give name of court

this person/proceeding is transferred from another district per (circle one) FRCrp 20, 21, or 40. Show District

this is a reprosecution of charges previously dismissed which were dismissed on motion of:

U.S. ATTORNEY DEFENSE

SHOW DOCKET NO.

this prosecution relates to a pending case involving this same defendant

MAGISTRATE CASE NO.

prior proceedings or appearance(s) before U.S. Magistrate regarding this defendant were recorded under

Name and Office of Person Furnishing Information on this form MELINDA HAAG

U.S. Attorney Other U.S. Agency

Name of Assistant U.S. Attorney (if assigned) Casey O'Neill

DEFENDANT

IS NOT IN CUSTODY

Has not been arrested, pending outcome this proceeding.

1) If not detained give date any prior summons was served on above charges N/A

2) Is a Fugitive

3) Is on Bail or Release from (show District)

IS IN CUSTODY

4) On this charge

5) On another conviction } Federal State

6) Awaiting trial on other charges
If answer to (6) is "Yes", show name of institution

Has detainer been filed? Yes No

If "Yes" give date filed

DATE OF ARREST

Month/Day/Year

Or... if Arresting Agency & Warrant were not

DATE TRANSFERRED TO U.S. CUSTODY

Month/Day/Year

This report amends AO 257 previously submitted

ADDITIONAL INFORMATION OR COMMENTS

PROCESS:

SUMMONS NO PROCESS* WARRANT

Bail Amount: _____

If Summons, complete following:

Arraignment Initial Appearance

* Where defendant previously apprehended on complaint, no new summons or warrant needed, since Magistrate has scheduled arraignment

Defendant Address: _____

Date/Time: _____ Before Judge: _____

Comments: October 29, 2013 Arraignment Requested (Spero, M.J.)

1 MELINDA HAAG (CABN 132612)
United States Attorney
2 Attorney for Plaintiff
3
4
5
6

FILED
713 001 11 12 1:46
U.S. DISTRICT COURT
SAN FRANCISCO, CALIFORNIA

WHA

8 UNITED STATES DISTRICT COURT
9 NORTHERN DISTRICT OF CALIFORNIA
10 SAN FRANCISCO DIVISION

11 UNITED STATES OF AMERICA,
12 Plaintiff,
13 v.
14 RON LEVALLEY,
15 Defendant.
16

CASE NO. **CR 13 683**
VIOLATION: 18 U.S.C. § 371 – Conspiracy to
Commit Embezzlement and Theft from an Indian
Tribal Organization
SAN FRANCISCO VENUE

17
18 INFORMATION

19 The United States Attorney charges:

20 Introductory Allegations

21 At all times relevant to this Information:

22 1. The Yurok Tribe was a federally recognized tribe located along 44 miles of the Klamath
23 River, in parts of Del Norte and Humboldt counties. Its main tribal offices were located in Klamath,
24 California. The Yurok Tribe received federal funds, administered by the Bureau of Indian Affairs (the
25 "BIA"), for various purposes, including forestry management under the Endangered Species Act (the
26 "ESA"). The Yurok Tribe was and is an "Indian tribal organization" within the meaning of Title 18,
27 United States Code, Section 1163.

1 2. Mad River Biologists ("MRB") was a consortium of biologists founded in 1982 and
2 based in Eureka, California. According to its website, MRB performed "wildlife inventory and
3 assessment work, botanical surveys, wetland delineation, training in wildlife survey and identification,
4 and development and implementation of wildlife management projects throughout Northwestern
5 California. The defendant, Ron LEVALLEY, was MRB's owner, founder, and senior biologist.

6 3. Roland Raymond became the Director of Forestry for the Yurok Tribe in 1994. His
7 duties included arranging for and directing the activities of work crews who performed various
8 functions, including timber clearing and other fire prevention activities. Raymond also was responsible
9 for arranging for biological assessments of Yurok tribal lands to be conducted before timber harvests or
10 other activities that might disturb certain species that were protected by the ESA. Beginning no later
11 than November 1995, the Yurok Tribe contracted with MRB to perform biological assessments, which
12 were paid for using funds appropriated by Congress and administered by the BIA.

13
14 COUNT ONE: (18 U.S.C. § 371 – Conspiracy)

15 4. Paragraphs 1 through 3 are realleged and incorporated as if fully set forth here.

16 5. Between a date unknown to the United States Attorney and the end of 2010, in the
17 Northern District of California, the defendant,

18 RON LEVALLEY,

19 and others, did knowingly agree and conspire to commit an offense against the United States, namely,
20 Embezzlement and Theft from an Indian Tribal Organization, in violation of Title 18, United States
21 Code, Section 1163.

22 The Manner and Means of the Conspiracy

23 6. Beginning on a date unknown, but no later than 2007, Raymond told LEVALLEY that he
24 wanted to pay LEVALLEY and the other MRB employees a "bonus." Raymond also told LEVALLEY
25 he (Raymond) wanted funds he could use to pay bonuses to non-MRB forestry and fire crews who
26 worked under him. Raymond suggested that MRB submit an inflated invoice to the Yurok Tribe for an
27 additional amount to cover both the MRB and non-MRB bonuses. LEVALLEY agreed to this

1 arrangement, and caused such an invoice to be prepared and submitted to the Yurok Tribe. Raymond
2 approved the false and fraudulent invoice as submitted, and the funds were disbursed to MRB. From
3 those funds, LEVALLEY distributed bonuses to himself and the other MRB employees. He also gave
4 Raymond some of the money MRB had received.

5 7. At approximately the end of October 2008, Raymond obtained tribal approval for a new
6 \$98,000 contract for ESA work that would be performed by MRB. Raymond told LEVALLEY that he
7 was going to need more regular payments from MRB. Raymond told LEVALLEY that the tribe did not
8 have money allocated to pay for fire prevention and other forestry work, and that the only funds
9 available were those allocated for ESA work. Raymond asked LEVALLEY to begin submitting regular
10 invoices for work MRB had not performed, and then to funnel the cash back to R.R., less a percentage
11 that MRB would keep. LEVALLEY again agreed to this arrangement.

12 8. During 2009 and 2010, as a result of the economic downturn, the price of timber fell
13 significantly. The Yurok Tribe did not harvest much timber during those years and therefore had little
14 need for biological assessments. As a result, MRB did very little work for the Yurok Tribe during 2009,
15 and none at all in 2010. MRB nevertheless billed the tribe for approximately \$411,000 in 2009, of
16 which LEVALLEY and his employees returned not less than \$245,000 to Raymond, either in cash or by
17 check. MRB retained the balance in the first instance, thereafter using it to satisfy operating or other
18 expenses at MRB. MRB paid LEVALLEY not less than \$47,000 in total 2009 compensation, largely
19 attributable to Yurok Tribe revenue, despite the decline in MRB's business.

20 9. During 2010, when MRB did not perform any work for the Yurok Tribe, MRB
21 nonetheless received approximately \$441,000 in payments from the tribe, all of which was based on
22 phony invoices, many of which Raymond prepared and submitted himself. LEVALLEY and his
23 employees returned not less than \$295,000 of that amount to Raymond, either in cash or by check.
24 MRB retained the balance in the first instance, thereafter using it to satisfy operating or other expenses
25 at MRB. MRB paid LEVALLEY not less than \$9,800 in total 2010 compensation, largely attributable
26 to Yurok Tribe revenue, despite the decline in MRB's business.

27 10. Raymond did not use the money he received from MRB from the false and fraudulent

1 invoices to pay fire or other work crews.

2 Overt Acts in Furtherance of the Conspiracy

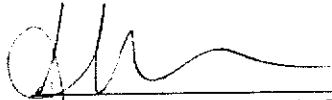
3 11. During the course of the conspiracy, and to further its objectives, LEVALLEY and his
4 co-conspirators knowingly committed the following overt acts, among others, in the Northern District of
5 California, and elsewhere:

- 6 a. On August 12, 2009, LEVALLEY caused a check to be written which transferred
7 \$7,500 in tribal funds to Raymond.
- 8 b. On August 27, 2010, LEVALLEY caused a check to be endorsed and deposited
9 by S.M., "less cash" in the amount of \$8,200, which cash was then paid to
Raymond.

10 All in violation of Title 18, United States Code, Section 371.

11 DATED:

12
13 MELINDA HAAG
United States Attorney

14 
15 _____
16 J. DOUGLAS WILSON
Chief, Criminal Division

17
18 (Approved as to form: )
19 AUSA DAVID R. CALLAWAY
20 SAUSA CASEY O'NEILL