



U.S. Department of Justice

Carlie Christensen

**United States Attorney
District of Utah**

**FOR IMMEDIATE RELEASE
Jan. 13, 2011**

**CONTACT: MELODIE RYDALCH
U. S. Attorney's Office
801-325-3206
801-243-6475 (CELL)**

NEWS RELEASE

FORMER RESIDENT OF CEDAR CITY ARRESTED ON CHARGES ALLEGING HE EMBEZZLED MONEY FROM PAIUTE TRIBE

SALT LAKE CITY – A federal indictment has been unsealed charging Jeffrey Charles Zander, age 55, a former resident of Cedar City, with 26 counts of theft from a program receiving federal funds, money laundering, and failure to file tax returns.

Zander was arrested last week in Nebraska. An initial appearance has been set for Thursday at 10 a.m. in U.S. Magistrate Judge Paul Warner's court. A grand jury returned the indictment Dec. 8, 2010, following an investigation by special agents of the FBI and IRS Criminal Investigation.

According to the indictment, Zander began working as a tribal planner for the Paiute Tribe around October 1998. He later became the tribe's economic development director and trust resources director. In September 2007, Zander also became in-house general counsel for the tribe.

His responsibilities as economic development director and trust resources director included, among other things, facilitating the preparation of Integrated Resource Management Plans (IRMPs). According to the indictment, these are strategic plans for comprehensive management of tribal land-based resources. On an annual basis, the U.S. Department of Interior's Bureau of Indian Affairs sends out information to Native American tribes soliciting grant proposals for IRMPs, reviews grant proposals, and funds approved grant proposals.

The indictment alleges that from June 2005 to around March 2008, Zander devised a scheme to embezzle funds under the guise of facilitating the preparation of IRMPs. Specifically, the indictment alleges Zander submitted grant proposals to the BIA on behalf of each of the tribe's five bands. The BIA awarded grants to the tribe ranging from \$25,000 to \$49,500 for each of Zander's five proposals.

In furtherance of his alleged embezzlement scheme, the indictment alleges Zander created five fictitious companies to bill the tribe for services not performed or services for which he had already been paid. Zander also prepared false invoices from the fictitious companies for services not performed or services for which the tribe had already paid him. The indictment alleges he also prepared tribal purchase orders to facilitate payments for these false invoices and submitted the false invoices and purchase orders to the tribe for approval and payment.

Finally, the indictment alleges Zander diverted the checks issued to his fictitious companies into his personal bank accounts. Approximately \$176,000 was deposited into his personal bank accounts.

The indictment includes 22 counts of theft from a program receiving federal funds. The potential maximum penalty for each theft count is five years in prison and a \$250,000 fine.

Money laundering, charged in one count of the indictment, carries a potential penalty of up to 10 years in prison and a \$250,000 fine.

Zander faces three counts of failure to file tax returns for tax years 2005, 2006, and 2007. Each count carries a potential penalty of one year in prison and a fine of \$100,000. The indictment alleges he had a gross income

of approximately \$89,298 for tax year of 2005; \$101,322 for tax year 2006; and \$158,265 for tax year 2007 and failed to file income tax returns.

An indictment is not a finding of guilt. Individuals charged in indictments are presumed innocent unless or until proven guilty in court.

###