

# ***NEWS RELEASE***



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## ***OFFICE OF THE UNITED STATES ATTORNEY SOUTHERN DISTRICT OF CALIFORNIA***

*San Diego, California*

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*For Immediate Release*

## **FORMER EXECUTIVE DIRECTOR OF INDIAN HUMAN RESOURCE CENTER INDICTED FOR EMBEZZLING NON-PROFIT'S MONEY**

**NEWS RELEASE SUMMARY** – April 26, 2013

San Diego, CA - United States Attorney Laura E. Duffy announced that David Hedley, a former Executive Director of the Indian Human Resource Center (“IHRC”), was arraigned yesterday on an indictment charging him with eight felony counts of theft from the San Diego-based non-profit that received federal funds. The defendant was arrested by Federal Bureau of Investigation (“FBI”) agents on April 25, 2013, in Riverside, California.

According to the indictment, Hedley served as the Executive Director of IHRC between approximately September 10 and December 11, 2012. During that time, Hedley is believed to have stolen approximately \$140,000 from the non-profit.

According to information disclosed at Hedley's arraignment, on numerous days when Hedley was improperly withdrawing money from IHRC's bank account, he was spending comparable sums gambling at a local Indian casino. For example, on October 9, 2012, Hedley withdrew \$15,000 in cash from the IHRC bank account at the North Island Credit Union ("NICU") located in La Mesa, California. On that same day, Hedley purchased \$15,000 worth of chips, tokens or gaming instruments at the Viejas Casino. Similarly, on the October 12, 2012, Hedley improperly withdrew \$20,000 in cash from IHRC's bank account at the NICU branch in Imperial Beach, California and purchased over \$20,000 in chips, tokens or gaming instruments the same day from Pala Casino.

The IHRC was established to train and assist Native Americans with finding employment outside the tribal setting and was awarded over a half million dollars in federal funding from the U.S. Department of Labor over the past two years as part of the Workforce Investment Act ("WIA"). The Workforce Investment Act of 1998 ("WIA") established a national workforce preparation and employment system to meet the needs of persons seeking employment, including new entrants to the workforce, in order to increase the employment, job retention, earnings and occupational skills of participants, improve the quality of the workforce, reduce welfare dependency, and improve the productivity and competitiveness of the United States.

United States Attorney Laura E. Duffy commented that, "The taxpayer resources provided to IHRC were intended to help create jobs by assisting the Native American community. I commend the FBI for its investigative work leading to these charges."

FBI Special Agent in Charge Daphne Hearn commented, "At the most basic level this case is about one individual's greed and the abuse of trust. The FBI will hold those accountable who line their own pockets at the expense of the American taxpayer."

Hedley was arraigned on the indictment in the Central District of California before Magistrate Judge David Bristow; Hedley pleaded not guilty. Magistrate Judge Bristow set bail at \$100,000 and ordered the defendant to appear in the Southern District of California on May 9, 2013.

The public is reminded that an indictment is not evidence that the defendant committed the crime charged. The defendant is presumed innocent until the United States meets its burden in court of proving guilt beyond a reasonable doubt.

**DEFENDANT**

**Criminal Case No. 13CR1129-WQH**

David M. Hedley

**SUMMARY OF CHARGES**

Counts 1-8: Title 18, United States Code, Section 666(a)(1)(A) – Theft from Program Receiving Federal Funds

Forfeiture: Title 18, United States Code, Sections 981(a)(1)(C) and Title 28, United States Code, Section 2461(c)

**INVESTIGATING AGENCIES**

Federal Bureau of Investigation  
California Department of Justice, Bureau of Gambling Control