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Thursday, December 15, 2016

Former Executive Director Of Sequoyah Fund, Inc. Sentenced To 27 Months For Embezzlement

ASHEVILLE, N.C. – U.S. District Judge Martin Reidinger sentenced today the former Executive Director of the Sequoyah Fund, Inc. to 27 months in prison for embezzling more than half a million dollars from the fund, announced Jill Westmoreland Rose, U.S. Attorney for the Western District of North Carolina. In addition to the prison term imposed, Nell Cooper Leatherwood, 57, of Bryson City, N.C., was also ordered to serve three years under court supervision, and to pay a \$5,000 assessment and \$545,707.50 as restitution.

U.S. Attorney Rose is joined in making today's announcement by John A. Strong, Special Agent in Charge of the Federal Bureau of Investigation in North Carolina.

"As the Executive Director of the Sequoyah Fund, Nell Leatherwood was tasked with supporting the economic development of businesses on the Qualla Boundary and providing much-needed financial services to its underserved populations. Instead, she repeatedly misused her access to the fund's accounts and diverted its limited resources for personal expenses, taking careful steps to cover up her theft. My office will continue to work with our law enforcement partners to investigate and prosecute public servants who use their positions of power for their own enrichment," said U.S. Attorney Rose.

According to filed court documents and today's sentencing hearing, beginning in February 2006 through November 2013, Leatherwood was the Executive Director of the Sequoyah Fund, Inc. (SFI), a Tribal entity established to fulfill the commercial serving needs of small businesses operating on the Qualla Boundary. SFI receives funding in the form of grants from the Eastern Band of Cherokee Indians and the federal government. According to court records, SFI maintained corporate bank



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accounts, including checking accounts and a credit card account. Court records show that, as Executive Director, Leatherwood had access to checks and a credit card associated with these accounts and she was permitted to use the corporate credit card for business-related expenses, only. However, Leatherwood did not have the authority to endorse the SFI corporate checks, which required the signature of two board members.

Court records indicate that from about January 2010 to about November 2013, Leatherwood misused the corporate SFI credit card to pay for personal expenses. These credit card bills were later paid using SFI funds without the SFI board's knowledge of the nature of the expenditures. Leatherwood also previously admitted to embezzling SFI funds by issuing herself checks linked to the corporate SFI bank account. From about December 2012 to about November 2013, Leatherwood wrote approximately 47 checks to herself, forging board members' signatures on the checks, which she then cashed and deposited for her personal use. Over the course of approximately four years, court records show that Leatherwood embezzled approximately \$65,000 by forging SFI checks.

Leatherwood pleaded guilty in June 2016 to one count of embezzlement from an Indian tribal organization; one count of theft concerning programs receiving federal funds; one count of access device fraud; and forty-seven counts of making, uttering, and possessing forged securities.

Leatherwood will be ordered to report to the Federal Bureau of Prisons to begin serving her sentence upon designation of a federal facility. All federal sentences are served without the possibility of parole.

In making today's announcement, U.S. Attorney Rose commended the FBI for leading the investigation and the USDA-OIG for their assistance in the case. U.S. Attorney Rose thanked the Sequoyah Fund for their assistance throughout the investigation.

U.S. Attorney Don Gast, of the U.S. Attorney's Office in Asheville, prosecuted the case.

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