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Crow Agency man admits embezzling from tribe

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A construction company owner admitted this week he helped the former Crow Tribe finance director embezzle more than \$100,000 from the tribe in a scheme to pay the legal defense expenses of the former chairman.

Robert Virgil Gipson Jr., 37, of Crow Agency, pleaded Tuesday in federal court to theft from an Indian tribe.

Gipson is the fifth person to be convicted in an embezzlement scheme devised by Kelly Dee Passes, the tribe's former finance director, and ex-chairman Clifford G. Birdinground.

Federal prosecutor Carl Rostad alleged that Passes used his position to devise inflated or fake contracts in which co-defendants would receive payments for jobs, cash the checks and kick back some or all of the money to Passes or Birdinground.

The money went to pay for the legal bills of Birdinground, who had been indicted on corruption charges stemming from the purchase of vehicles from a Billings car dealership. Birdinground eventually pleaded guilty to a bribery count and was sentenced to 37 months in prison. He had to resign as chairman as part of a plea agreement. He was not prosecuted in the embezzlement scheme.

In December 2001, Passes approached Gipson, who co-owned Cedar River Construction, for help in getting money from the tribe, Rostad said. During the next four months, Gipson received payments totaling \$108,000 from two bogus contracts. He kept \$12,000 and shared the rest with Passes. Passes said some of the Gipson money was given to Birdinground, who had directed him to create the phony contracts to GET money for his personal use. Passes told investigators he did as instructed and created the fraudulent contracts for Cedar River.

Passes pleaded guilty earlier, was sentenced to a year and a day in prison and WAS ordered to pay \$57,200.

Gipson faces five years in prison and a \$250,000 fine. U.S. District Judge Richard Cebull set sentencing for March 7 and continued his release.

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