



U.S. Department of Justice

*United States Attorney
Western District of North Carolina*

Headquarters:

*Suite 1700, Carillon Building
227 West Trade Street
Charlotte, North Carolina 28202
(704) 344-6222
FAX (704) 344-6629*

Branch:

*Room 233, U.S. Courthouse
100 Otis Street
Asheville, North Carolina 28801
(828) 271-4661
FAX (828) 271-4670*

Reply to: Asheville Office

October 4, 2016

Ms. Charlene Owle
Director
Qualla Housing Authority
687 Acquoim Road
Cherokee, NC 28719

Dear Ms. Owle:

By this letter, the United States Department of Justice is notifying you that it is conducting an investigation regarding possible criminal conduct related to certain loans and loan applications, among other matters, involving the Qualla Housing Authority. The allegations under investigation include possible violations of federal program fraud, mail fraud, and wire fraud, in violation of Title 18 United States Code, Sections 666(a)(1)(A), 1341, and 1343, respectively.

Further, the Government believes that the Qualla Housing Authority has information, records, documents, tangible objects, correspondence and communications (collectively "information"), both on paper and in electronic form (emails, text messages, voice mail messages, etc.) in its possession, custody, or control which are material to the investigation and which may assist the Government in reaching a proper resolution of its investigation, and which may be evidence in any resulting criminal or civil litigation. Specifically, the information in your possession which the Government believes relates to its ongoing investigation is information concerning loans, loan applications, customer files, banking records, grant information, and all other business records.

I advise you that any person who knowingly alters, destroys, mutilates, conceals, covers up, falsifies, or makes a false entry in any record, document, or tangible object with the intent to impede, obstruct, or influence an ongoing or anticipated federal investigation could be in violation of Title 18, United States Code, Section 1519, as well as other federal criminal statutes. A copy of Title 18, United States Code, Section 1519 is included herewith for your review.

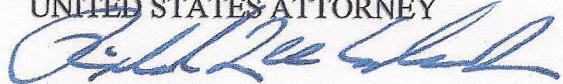
Accordingly, please take all the necessary steps to ensure that the Qualla Housing Authority and any related entities preserve all documents and information, including electronically stored information, relevant to this investigation. To that end, the necessary steps should include suspending the planned destruction or automatic deletion of any document or data, including e-mail or instant messaging software, as well the suspension of the reuse or recycling of any backup tape or other media.

While the Government has not determined whether compulsory process will be necessary, if at any time you intend to begin gathering and processing documents and information (including electronically stored information) in anticipation of compulsory process, please contact me so we can discuss the government's requirements for an electronic production. By doing so, we can avoid any unnecessary costs to you from having to gather documents and information multiple times or reprocess the documents and information because they could not be produced in a manner that ensures the government can access and use the production. We will promptly make ourselves available so that we can resolve the details of any necessary production

If you are represented by an attorney in this matter, you may have your attorney contact me at my office at (828) 259-0651 to answer any questions or discuss the matter.

Sincerely,

JILL WESTMORELAND ROSE
UNITED STATES ATTORNEY

A handwritten signature in blue ink, appearing to read "Richard Lee Edwards", is written over the typed name.

RICHARD LEE EDWARDS
Assistant United States Attorney

18 U.S.C.A. § 1519

Destruction, alteration, or falsification of records in Federal investigations and bankruptcy

Whoever knowingly alters, destroys, mutilates, conceals, covers up, falsifies, or makes a false entry in any record, document, or tangible object with the intent to impede, obstruct, or influence the investigation or proper administration of any matter within the jurisdiction of any department or agency of the United States or any case filed under title 11, or in relation to or contemplation of any such matter or case, shall be fined under this title, imprisoned not more than 20 years, or both.