

Whistleblower tells of botched investigation at Hubbell Trading Post

The Journal

July 20, 2016

By Jim Mimiaga

As part of the Four Corners Lecture Series, Paul Berkowitz, a Dolores author and former criminal investigator for the National Park Service, relayed how he exonerated Billy Malone, an Indian trader falsely accused of embezzlement.

At a packed house July 14 at the Center for Southwest Studies at Fort Lewis College, Berkowitz unraveled the legal drama documented in his tell-all book “The Case of the Indian Trader: Billy Malone and the Park Service investigation at Hubbell Trading Post.”

Malone, a respected trading post operator on the Navajo Nation, got caught up in a botched Park Service investigation that left him reeling until it was assigned to Berkowitz, who turned the case around.

“If it weren’t for him, they would still be turning over rocks trying to pin something on me,” said Malone who joined the Fort Lewis College presentation.

The case centers on the Hubbell Trading Post, a national historic site and working trading post in Ganado, Arizona, that Malone managed for decades.

The trading post is run by the nonprofit Western National Parks Association, which donates a portion of revenues to the Park Service. During an audit, the Western parks association reported that millions of dollars were missing and accused Malone of government theft.

In 2004, the Park Service began investigating Malone for government fraud and theft. He was fired, and had his home raided by the Park Service, which confiscated hundreds of rugs and a jewelry collection Malone had earned through a lifetime in the trading business.

“I was devastated, totally blindsided. It knocked me down for 2-3 months,” he said.

But after a two-year investigation, no charges had been filed, and the case was reassigned to Berkowitz. He said the case had already cost the park service almost \$1 million and involved 12 agents.

Taking a fresh look, Berkowitz found that “WNPA accounting was a mess.” He said the association saw Malone and the Hubbell Trading Post — with its unconventional business practices of trading and bartering — as a convenient scapegoat.

New management at NPS “did not understand how a trading post works,” Berkowitz said. “The world Malone lives in is a contemporary barter system with no computers, a lot of credit extended long-term, and signing of documents for clients who could not read or write in English.”

Berkowitz’s investigation concluded there was no evidence of wrongdoing by Malone, and he turned the spotlight onto his own agency’s initial investigation.

In his final report to the U.S. Office of the Inspector General, Berkowitz said the NPS mishandled the initial case, conducted an improper search warrant, failed to provide Malone due process, and lacked evidence in its allegations of fraud and theft.

“The (Park Service) improprieties were stacking up one after the other,” he said. “After, several months I determined no theft had occurred, there were no missing funds — it was a WNPA accounting error. After I filed the final report, I retired.”

Berkowitz said Malone’s seized property was eventually returned. Malone filed a lawsuit against the NPS for violating his civil rights.

Berkowitz said he blew the whistle on his own agency to raise awareness.

“The reason I wrote the book and give these talks was because there was no other way anybody was going to find out what happened,” he said. “There was a lack of oversight, and the only way to fix it was to expose it.”

Berkowitz said the case was the most interesting of his 33-year career as a criminal investigator, mostly with the NPS.

Besides just indictments and convictions, “exonerating somebody should also be the goal of law enforcement because sometimes people get falsely accused,” he said.