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**FOR IMMEDIATE RELEASE**

November 20, 2008

**OWNERS OF “BLUE STILLY” SMOKE SHOP PLEAD GUILTY TO TRAFFICKING IN  
MILLIONS OF CONTRABAND CIGARETTES**

*Defendants Knowingly Failed to Pay More than \$25 Million in State Taxes*

Three members of the Stilliguamish Tribe and the spouse of a tribal member pleaded guilty today in U.S. District Court in Seattle to Conspiracy to Traffic in Contraband Cigarettes and Engaging in Monetary Transactions involving criminal proceeds, in connection with a scheme to sell contraband cigarettes without paying the applicable Washington State tax. EDWARD LEVERNE GOODRIDGE, SR., 60, LINDA LOY GOODRIDGE, 59, and their son EDWARD GOODRIDGE JR., 33, all of Arlington, Washington, and a cousin, SARA LEE SCHROEDL, 40, of Lahaina Maui, Hawaii, entered guilty pleas in front of U.S. District Judge James L. Robart this afternoon. Sentencing is scheduled for March 16, 2009.

The defendants admitted to unlawfully avoiding more than \$25 million in Washington State taxes and agreed to forfeit approximately \$1,000,000 in cash. As part of their agreement to plead guilty, the defendants agreed to pay restitution to the State of Washington in the amount of \$25,706,331. The defendants admitted that between March 2003, and May 2007, they conspired to sell contraband cigarettes – these are cigarettes for which the state tax had not been paid. On May 15, 2007, federal law enforcement executed search warrants at homes and businesses associated with the GOODRIDGE family. They found records of the illegal cigarette sales, more than 3.5 million contraband cigarettes, and more than \$46,000 in cash. Evidence gathered from the searches of Blue Stilly and various cigarette suppliers revealed that between March 2003, and May 2007, the Blue Stilly had ordered and illegally sold in excess of 1.8 million cartons of cigarettes and generated more than \$55 million in revenues from the illegal sales of cigarettes. The four conspirators personally profited \$15 million, which they used for their own benefit and did not pay any cigarette tax to the State of Washington.

“Washington's most vulnerable citizens are among those victimized when the state cigarette tax is not paid,” said Kenneth J. Hines, the IRS Special Agent in Charge of the Pacific-Northwest. “It is unconscionable to put one's own financial well-being above the well-being of those who need the services that this tax helps to provide, such as healthcare, education, programs to stop youth violence and water quality.”

Under the terms of their plea agreements, the government agrees to recommend no more than 18 months in prison for each of the defendants. The defendants have agreed to forfeit more than 5.3 million contraband cigarettes. Additionally the defendants will forfeit approximately \$1,000,000 in cash.

The case was investigated by the Internal Revenue Service (IRS), the Bureau of Alcohol, Tobacco, Firearms & Explosives (ATF), and the Washington State Liquor Control Board. The case was prosecuted by Assistant United States Attorneys Mary K. Dimke, J. Tate London, and Richard E. Cohen.

For additional information, please contact Emily Langlie, Public Affairs Officer, United States Attorney's Office, Western District of Washington at (206) 553-4110.