



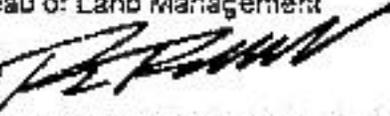
THE SECRETARY OF THE INTERIOR

WASHINGTON

AUG 22 1997

Memorandum

To: Special Trustee for American Indians
Assistant Secretary - Indian Affairs
Deputy Commissioner for Indian Affairs
Director, Minerals Management Service
Director, Bureau of Land Management

From: The Secretary 

Subject: Trust Improvements Project Definition

I have met with the Special Trustee for American Indians and discussed at length the recommendations contained in the Special Trustee's April 11, 1997 Strategic Plan. Notwithstanding my reservations about certain aspects of his Plan, selected trust systems improvements and data cleanup efforts in the Plan can and should proceed as soon as possible within the organizational structure of the Department. This memorandum outlines the Department's approach for improving Indian Trust Management and engages affected Bureaus and Offices in the implementation planning and execution activities necessary to ensure success. The Special Trustee and I have agreed to the following.

Trust Management Project Scope

- 1. Data and Backlog Cleanup.** Our goal is to eliminate bad data and overcome backlogs to ensure Indian trust records are accurate and up to date. Projects either needed, planned, or currently underway in the Department (principally in the Office of Trust Funds Management, the Bureau of Indian Affairs (BIA), and the Office of Hearings and Appeals (OHA)) to clean up trust and trust funds-related files and data are a high priority, and are to proceed in a coordinated fashion.
- 2. Individual Indian Monies (IIM) Accounting System.** The Office of the Special Trustee, in coordination with the Department's Chief Information Officer, is to acquire, pilot, and install a Core Trust Accounting System (also referred to as the IIM Accounting System) module, suitable for both Tribal and IIM accounts.
- 3. Trust Asset and Accounting Management System.** The Office of the Special Trustee, in coordination with the Department's Chief Information Officer, and the heads of the BIA, BLM and MMS, will evaluate, acquire, and pilot standardized, commercial off-the-shelf general trust management system technology to the extent practicable. Following successful testing and piloting, full implementation will proceed. The supporting land title and records and minerals royalty systems, such as the BIA's LRIS system will also be evaluated and upgraded, as appropriate.

4. **Related Activities.** Supporting efforts will also be evaluated, to include a joint trust records management solution (which may include electronic records/imaging technology), developing and issuing policy and procedures manuals, providing staff and user training, and improving internal controls.

5. **Duration.** The Special Trustee and I have agreed that the trust management improvements should occur within a three year period, beginning in 1998.

6. **Excepted Issues.** It is further agreed that the Special Trustee's Strategic Plan recommendations in the following areas are specifically deferred in this agreement and the scope of the project.

- a. New management and organization structures outside of the Department of the Interior.
- b. Introducing new trust products or services based on the prudent investor rule.
- c. An Indian development bank.

The fractionation of Indian lands issue also needs to be resolved. The Congress has the Administration's recommended proposal on fractionation for further consideration.

Project Management/Oversight

Management of Indian trust lands and Indian trust funds is a Departmental mission, and responsibility for its accomplishment rests with me. The Special Trustee, with the full participation of other Departmental officers, will take the lead in developing a high level Implementation Plan and overseeing its execution. The project will be performed under the guidance and oversight of a steering committee that I or the Chief of Staff will chair. The steering committee will be comprised of the Special Trustee, the Solicitor, the Assistant Secretaries - Indian Affairs, - Land and Minerals Management, and - Policy, Management and Budget, and the Chief Information Officer.

The Chief Information Officer will provide Departmental oversight on the systems and information resources management aspects of these efforts. All trust system acquisitions will be accomplished in compliance with the Clinger-Cohen Act and implementing Raines Rules.

Following development of the high level Implementation Plan, respective Bureau and Office heads are individually responsible for implementing trust management improvement activities in your respective line organizations.

Resources

The Special Trustee and I have agreed that the Office of Special Trustee will initiate the trust system and records cleanup efforts outlined above with funds appropriated to the Special Trustee in FY 1997 and FY 1998. Similarly, the BIA trust systems, records management, and data/probate cleanup initiatives will be funded with FY 1997 and FY 1998 funds appropriated for those purposes. In addition, a consolidated budget will be developed and coordinated and under the oversight of the Special Trustee, who will review and certify plans and bureau budgets in accordance with the American Indian Trust Funds Management Reform Act of 1994.

Budgetary requirements relating to this effort in the FY 1999 and FY 2000 time frames will be coordinated and addressed jointly to the Congress by the Department, the Office of the Special Trustee, and the BIA.

Outreach/Consultation/Coordination

An Outreach and Consultation Plan designed to reach and inform affected account holders, Indian Tribes and the Congress will be developed and executed in support of the trust management improvements.

Next Steps

Over the next 30 - 60 days, you will work jointly to prepare a high level implementation plan and schedule for acquiring and implementing trust systems and completing records cleanup. The plan must have the concurrence of the heads of key affected bureaus and offices, include sufficient information to satisfy Clinger-Cohen Act requirements, and provide satisfactory detail to guide, at a high level, trust improvement efforts. It must identify sub projects, tasks and task work plans, resource estimates, accountable officials and measures by which results will be judged. The Office of the Special Trustee will take the lead, but I expect affected and key bureaus and offices to work closely with the Special Trustee, cooperating and participating fully in drafting and publishing the high level implementation plan.

My goal--and your responsibility--is to build success so that full implementation of the new trust systems can occur over a three year period starting in 1998, enabling the Department to fulfill its trust responsibilities to the Indian peoples and to comply with the American Indian Trust Fund Management Reform Act of 1994.

cc: AS-PMB
AS-LM
DAS-PMB for Budget & Finance
CIO
PIR
POB



THE SECRETARY OF THE INTERIOR
WASHINGTON

February 29, 2000

In July 1998, the Department of the Interior issued the first High Level Implementation Plan (HLIP) for Indian Trust Management Improvement. That plan represented the first step in implementing the strategic plan required by Section 303 of the American Indian Trust Fund Management Reform Act of 1994.

Eliminating Indian trust management deficiencies continues to be my highest management priority for the Department of the Interior. To plan and evaluate our progress, and to determine if we are meeting our expectations for improving trust management, we have produced this revised and updated HLIP.

This HLIP outlines progress made toward completing improvements in trust management and lays out additional steps that must be taken to reach the goals and objectives that we have established. Significant headway has been made in establishing new trust management and financial systems that will handle the millions of records that are the foundation of a reliable trust management program. The Trust Funds Accounting System (TFAS) is operational in all but three offices and those sites will be converted to the new system shortly. The Trust Asset and Accounting Management System (TAAMS) is operational at the pilot site in Billings, Montana, and we are currently working towards nationwide deployment in other BIA locations.

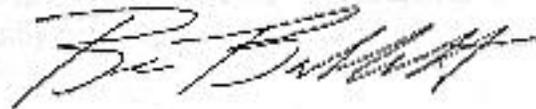
We also have completed tasks that support the TAAMS and TFAS system improvements such as a reinvention laboratory that will help us streamline and establish a new process for handling the probate cases that have become seriously backlogged. The Department is ensuring that advanced trust management systems that are being installed will be used properly and to their full potential by training employees before these systems are made operational in their offices. We are also fostering a greater dedication to customer service, and are committed to serving our trust clients in a way that will resolve their concerns and earn their confidence.

In such a complex undertaking, not all aspects of the initial implementation plan have met with equal success. Much remains to be done in assessing and amending policies and procedures that affect most, if not all, subproject areas of the trust management project. We have redirected resources to this effort to insure that we meet our objectives and impart greater continuity to the entire trust management project. As expected, the introduction of new information systems has proven to be formidable for BIA. We are addressing difficult challenges, including data management, telecommunications infrastructure, human resource shortages in both government and the private sector, systems integration, competing

demands within our trust responsibility and the need to achieve institutional changes. The Department has assessed each HLIP subproject and, in many cases, made significant changes in light of our experience to date. We have taken steps to identify and improve any areas that may be lagging behind the aggressive schedule articulated in the July 1998 HLIP.

The problems that beset trust management span many decades. However, we are making significant progress and we are on the verge of a major transformation in Indian trust management. Last year, the budget increase for the Office of the Special Trustee was the single largest percentage increase in the President's Budget request for the Department, and was fully funded by the Congress. For FY 2001, with the exception of a few one-time costs, we have maintained those increases in the Office of the Special Trustee while requesting an additional \$35 million and 349 employees for the Bureau of Indian Affairs to sustain trust improvements for the long term.

Completing the steps outlined in this plan will restore integrity and confidence in our trust management responsibilities. For this plan to be fully successful, however, two additional elements are critical: first, the continued dedication of literally thousands of career Department of the Interior employees nationwide; and second, the continued support, oversight and enactment of reforms, such as Indian land consolidation initiatives, by Congress.

A handwritten signature in black ink, appearing to read "Bruce Babbitt", with a stylized flourish at the end.

Bruce Babbitt