

## ***Scope of DOI Trust Asset Management Responsibility***

### **General Asset Management Information:**

- Over the past 40 years, the number of trust and restricted acres of land administered by the Bureau of Indian Affairs (BIA) has grown by approximately 80,000 acres per year.
- Today, the BIA administers approximately 56 million trust and restricted acres of land.
- Over 46 million of these acres are administered on behalf of Indian Tribes.
- Over 10 million of these acres are managed on behalf of individual Indians.
- The BIA administers 110,000 surface and mineral leases on these trust lands. These leases generate over \$100 million in revenue to the Indian land owners.
- In FY 1999, approximately 1,800,000 acres of land were leased for oil and gas, generating an additional \$100 million in royalties to Indian land owners.
- Also in FY 1999, over 27 million tons of coal was sold from Indian lands, generating over \$60 million in royalties.
- In FY 2000, 579 million board feet of timber was harvested from Indian trust lands worth \$96 million.
- In FY 2000, the Office of Hearings and Appeals adjudicated 3,300 probates.

### **General Individual Indian and Tribal Account Management Information**

- Currently, the Office of the Special Trustee for American Indians (OST), through the Office of Trust Funds Management (OTFM), manages approximately 262,000 Individual Indian Money (IIM) and 1,400 Tribal trust fund accounts.
- The balance of the IIM accounts is approximately \$400 million, and the balance of the Tribal accounts is approximately \$2.7 billion.
- Under the provisions of the *American Indian Trust Fund Management Reform Act of 1994*, two tribes have withdrawn all their funds from trust, and two tribes have partially withdrawn their funds. Six Tribes have withdrawn all their funds from trust based on other Public Laws and/or their Use and Distribution Plan(s).

- OST spends an average of \$147 per year per account to maintain more than 263,000 accounts.

*Of the more than 262,000 IIM accounts currently held in trust (as of February 28, 2001), approximately:*

- 101,000 (38%) of these accounts are unrestricted and individual account holders may determine the timing and amount of disbursements from the account.
- 138,000 accounts (53%) are restricted accounts for minors, individuals determined to be non compos mentis, or individuals in need of financial assistance.
- 23,000 accounts (9%) are special deposit, forestry and other accounts.
- 135,000 of these accounts (52%) have had no activity, except interest postings, in the last six months. However, this includes those accounts that only receive resource income annually.

*Of the 239,000 accounts held for individuals:*

- 33,300 accounts (14%) are for minors (including accounts for those individuals whose date of birth indicates they are no longer minors, but who cannot be located or have not responded to correspondence).
- 65,000 accounts (27%) are for account holders whose whereabouts is unknown and for whom OST has no current address.
- The average balance in unrestricted IIM accounts is approximately \$420.
- The average balance in restricted IIM accounts is about \$2100.
- 142,000 accounts (59%) maintain balances in the IIM system. Of these, 91,000 have a balance of less than \$500.
- 97,000 accounts (41%) are flow through accounts, and checks are issued to account holders as soon as their balance reaches \$15.

- OTFM produces approximately 493,000 checks annually to account holders. Additional disbursements also are made via direct deposit and electronic funds transfers.

Of the 1,400 Tribal Accounts:

- OTFM issues approximately 24,000 per capita payments annually at the request of tribes.
- OTFM requests approximately 12,000 checks be cut annually for the Osage quarterly headright (annuity payments), which is the result of Tribal Mineral Income less expenses.
- OTFM prints and mails approximately 100,000 checks annually for the Wind River agency quarterly dividend for the Shoshone and Arapaho Tribes.

During the conversion to a new Trust Funds Accounting System (TFAS):

- Over 5,540 boxes of trust fund account documents were cleaned up by an outside contractor.
- More than 30 boxes of documents relating to pre- and post-TFAS conversion testing were cleaned up by OST staff. This effort included closing duplicate accounts, correcting invalid dates and sort character corrections.
- Over 70,000 accounts have been closed and/or corrected as a result of the cleanup effort.

Cobell v. Norton Litigation Efforts:

- c To date, 55 CD-ROMs containing 159,384 documents have been provided to the Court in response to the Cobell litigation.
- These documents contain 385,421 pages of material.
- In OST alone, 14,000 boxes containing more than 35 million pages were searched for responsive documents and 46,600 documents were indexed and imaged on 26 CDs.
- To date, \$17 million has been appropriated to DOI organizations specifically to support litigation efforts, and thousands of staff hours have been spent responding to document requests.

Records Management Improvements:

- The Indian Affairs Records Management (IARM) program became operational in December 1999. The program is responsible for implementing a uniform and comprehensive records management program for BIA and OST. The Major emphasis of the IARM program is on cleaning up inactive records stored in off-site facilities.
- IARM has been to some 60 BIA regional and agency offices to assess records management practices and to identify records to be transferred to Federal Records Centers or other appropriate storage, and for non-trust records to be properly disposed. As part of this effort, IARM has arranged for the purchase of fireproof or other modern filing systems for more than two-dozen BIA locations to date.
- More than 1200 employees at all levels have attended IARM records training.
- More than 2300 cubic feet (nearly 6 million pages) of records have been transferred to Federal Records Centers, ending a four-year moratorium. 5200 cubic feet (13 million pages) have been packed and inventoried by IARM through the National Archives and Records Administration and its contractor.
- Approximately 75 million pages of trust financial and IIM account records have been transferred to OST storage in Albuquerque.

Arthur Andersen “Reconciliation” of Tribal Trust Accounts:

- In 1996, a report was issued by Arthur Andersen pursuant to its contract with BIA to review Tribal accounts held in trust for the 20 year period of 1972 to 1992. This contract with Arthur Andersen cost \$21 million.
- Arthur Andersen successfully identified receipts and disbursements for 86% of the transactions reviewed, representing \$15.3 billion.
- Arthur Andersen was unable to identify complete historic transactions to determine the origin of 14% of the transactions, worth \$2.4 billion. This \$2.4 billion has not been “lost,” but is held in the Department of the Treasury.

- In conjunction with the Tribal effort, Arthur Andersen estimated the cost of performing a reconciliation of the IIM accounts. At the time, Arthur Anderson estimated that between \$108 and \$281 would be needed to complete a 20 year review. Information collected since these estimates indicates that this cost could be well in excess of \$300 million.
- Following this effort, the Department crafted legislation to create a process by which it could negotiate settlements with the Tribes, based on the Arthur Anderson findings. The legislation was met with widespread Tribal opposition.