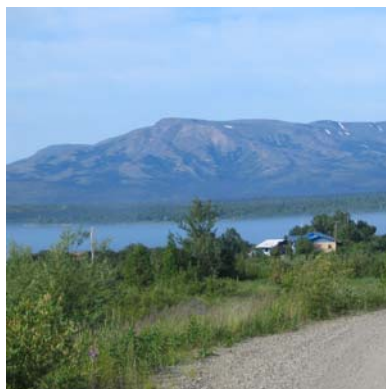


Advisory Board Approves Three Resolutions

When meeting at a beautiful location in a picturesque setting, one might ask how much work can get done. The response is, a lot! The full nine-member Advisory Board to the Office of the Special Trustee for American Indians (OST) met January 17, 2008, in Palm Springs, home of the Agua Caliente Band of Cahuilla Indians. With all members in attendance, critical issues were addressed, resulting in the passage of three resolutions that will propel more reforms for Indian beneficiaries and tribes.

The first resolution proposed by the Board is for OST to recommend legislation to the Department of the Interior to create a single account similar to an unclaimed property fund. This type of fund is used by states when assets, such as abandoned savings or checking accounts or money from pension plans, are available to people who cannot be located. The Board recommended that money from Individual Indian Money (IIM) accounts owned by people whose whereabouts have been unknown for several years be pooled into one unclaimed property account. Principal would remain in the unclaimed property account in perpetuity or until claimed by the owner. Savings would result from simplified accounting, including several thousand “whereabouts unknown” IIM accounts.

Following the discussion of the first resolution was the introduction of a resolution on the topic of fractionation. Everyone in Indian Country knows this issue complicates the management of trust assets and underlies several other problematic issues. Fractionation occurs as land passes from one generation to the next and more and more heirs acquire a fraction of an undivided interest in the land. The Board recommended that Congress, working with the Bureau of Indian Affairs and Indian organizations, make an effort this year to develop a

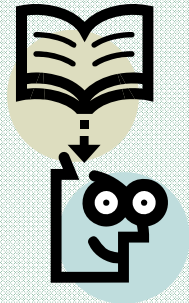


solution to fractionation. They referenced a solution roughly based on the tribal “Rosebud model” but with some exceptions. In operation since 1947, this model set up a tribal land enterprise (TLE) to hold title to small fractional interests on the Rosebud Sioux reservation. Owners receive income based on their shares in the TLE. Because this model has been in operation for so many years, there has been time to identify and resolve difficulties unforeseen at its inception. The ultimate result of a solution to



Keeping Everyone Informed

OST’s Office of External Affairs (OEA) contracted with a firm in fall 2007 to explore the development of effective communication strategies and products to better serve beneficiaries and to improve interaction among DOI employees in support of trust reforms.



The company, Kauffman and Associates, Inc. (KAI), is an American Indian-owned small business that has been serving public and private clients since 1990.

After research with the targeted audiences—beneficiaries and DOI employees who work with OST on trust related issues—KAI presented two reports, one for each audience. Those findings, messages, and recommended materials have been distilled into a forward-thinking communication plan that contains new directions and products. After review and approval by OST’s senior management, the plan will be immediately implemented.

Continued from page 1

fractionation will be greater self-determination of Indian assets by Indians and reduced oversight by federal employees. The resolution was approved by the Board.

At the end of the day, another major issue was addressed and received the support of the full Board. A resolution about the disposition of OST was thoroughly discussed. Concerns were voiced that advances made by OST should not be reversed, nor should progress on trust reform cease. The consensus was that OST needs to continue in its role in the Department of the Interior as a focused, professional, independent fiduciary trust management organization with separate congressional funding.

In addition to meeting with Special Trustee Ross Swimmer, the Board received a comprehensive presentation from the Principal Deputy Special Trustee Donna Erwin. She provided information about the debit card pilot program (an update is elsewhere in this issue); the latest audit; the 2007 report to Congress, *Restoring Trust: The Reformation of Indian Trust Management (1994-2007)*; topics covered during OST's Senior Executive Service retreat; and progress of the Workplace Improvement Team, which works with management by providing recommendations to increase employee engagement. She also updated members on the number of cases brought against the Department of the Interior by 103 tribes. The impact of so many cases is time consuming and onerous, competing for the same resources used to support programs and reforms.

Special Trustee Swimmer took time twice during the day to provide interviews to members of the media—one from the largest local newspaper, *The Desert Sun*, and the other from KPSI, a radio station with a newstalk format. The Special Trustee helped spread the word about the American Indian Records Repository in Lenexa, Kansas; the Whereabouts Unknown initiative; and the debit card program, into which any account holder may enroll even though the pilot is only in three states.

The meeting location is the home territory of the Honorable Richard Milanovich, a member of the Advisory Board and Chairman of the Agua Caliente Band of Cahuilla Indians. Other members of the Advisory Board are the Honorable Bill Anoatubby, Governor of the Chickasaw Nation of Oklahoma; Bobby Brooks, Vice President and Trust Officer of the Bank of Oklahoma; David English, Fratcher Missouri Endowed Professor of Law at the University of Missouri - Columbia; Honorable Jim Gray, Principal Chief of the Osage Nation in Oklahoma; Edward Holland, President and CEO of the Chota Capital Company, LLC, and member of the Cherokee Nation of Oklahoma; Fred Matt, former Chairman of the Confederated Tribes of Salish-Kootenai of the Flathead Reservation in Montana; Loren "Bat" Pourier, owner of Muddy Creek Oil and Gas, Inc., and member of the Oglala Sioux Tribe of South Dakota; and Helen Sanders, Chairman of the Allottees Association and Affiliated Tribes of the Quinault Reservation, and member of the Quinault Indian Nation of Washington. The next meeting of the Advisory Board will be held in Washington, DC, in March.

OST Receives Media Coverage OST is sharing the stories of trust reforms with national media as another way of delivering information to beneficiaries and other stakeholders. The Special Trustee was a guest on the Federal News Radio program FEDtalk. This live interview was aired from Washington, DC, on 1050 AM and was simultaneously available over the Internet. The hosts of the show asked questions about everything from the establishment of the OST to significant reforms. Of course OST's lack of Internet access and, therefore, email was a great mystery to the hosts. An audio file is archived on the Internet at www.federalnewsradio.com. Drop down the list of programs in the navigation bar at the top, click on the FEDtalk link then look for the January 4, 2008, button on the right side of the page. Happy listening.

Less than a week after his appearance on FEDtalk, the Special Trustee was interviewed by a writer for *In These Times* magazine. The article, which focuses on the *Cobell v. Kempthorne* class action lawsuit, is scheduled to appear in the March issue of the magazine.

Not all media coverage is national. Staff at the OST Albuquerque office talked with a reporter from a radio station in Alaska. A four-part series about trust reforms and the Cobell lawsuit will air this spring. Meanwhile, the Special Trustee reached out to media in Palm Springs during the quarterly meeting with his Advisory Board in January (see mention in the Advisory Board article in this issue). Recommendations about local media outlets, particularly American Indian media, are always appreciated. Contact Debby Pafel, OST Public Affairs Specialist, on 202-208-4289.

Independent Auditor's Report Available in 2007 Annual Report

The fiscal year (FY) 2007 auditor's report on financial statements of tribal and other trust funds (Tribal) and Individual Indian Money (IIM) trust funds is available on the website of the Office of the Special Trustee for American Indians.

Go to www.doi.gov/ost/documents/audits.html to view the report.

The audit of financial statements was completed by the independent public accounting firm KPMG LLP. The report contains FY 2007 and FY 2006 financial statements.

The annual report that is online also contains a memorandum from the U.S. Department of the Interior, Office of the Inspector General, and a letter from the Special Trustee.

The letter lists several accomplishments during FY 2007 that improved services to trust beneficiaries. A few highlights are:

- Completed the conversion of all remaining BIA regions to systems that enable tracking leasing activity, ownership, and income distribution electronically
- Produced and distributed booklets, brochures, and statement inserts to beneficiaries
- Delivered over 700,000 quarterly performance statements to beneficiaries
- Distributed tribal account statements on CD-ROM to all requesting tribes
- Received over \$286 million through a centralized commercial lockbox and distributed over 90% of the funds received to beneficiaries' accounts within ten business days
- Established self-governance and self-determination agreements with 38 tribes for real estate appraisals and individual Indian beneficiary trust functions and extended the first TrustNet connectivity to a self-governance tribe
- Conducted or participated in 2,676 outreach events

OST Fiscal Year 2009 Budget Requests

The Department of the Interior's Office of the Special Trustee for American Indians (OST) budget request for fiscal year 2009 is \$181.6 million, a reduction of \$7.7 million compared to FY 2008 enacted funding due to the completion of some trust reform efforts, elimination of the Indian Land Consolidation Program, and management efficiencies.

The proposed budget includes increased funding for several key programs, including an increase of \$1.7 million to address the Office of Hearings and Appeals probate backlog and \$815,000 for Office of Trust Services.

Decreases in the budget request include reductions of \$3.3 million as a result of the completion of certain trust reform and project task efforts. The budget also includes a \$530,000 reduction in travel and relocation expenses, as part of a Department-wide travel reduction. OST will focus on travel by only essential personnel to events that support goals and objectives identified in the Comprehensive Trust Model (CTM) plan. Attendance via teleconferences and other communications technology will also be utilized when appropriate.

This budget request does not include funding for the Indian Land Consolidation program. This program did not provide a cost effective solution to the critical issue of fractionation. The Department remains committed to finding a solution for Indian land consolidation. A working group is being formed to explore an alternative strategy that will be beneficial to both individual Indian land owners and tribes.

Visit the OST website at www.doi.gov/ost to view the fiscal year 2009 budget request.

Debit Card Pilot Program: *Gaining Momentum*

The Chase MasterCard® debit card pilot program was launched in the states of Arizona, Oklahoma, and Washington on December 3, 2007, when debit card enrollment began. The first debit card transaction occurred on January 4, 2008. The debit card pilot program will run through June 2008, after which the program will be evaluated for improvements before it is expanded to IIM account holders nationwide.

The voluntary debit card program gives Individual Indian Money (IIM) account holders the convenience and security of receiving their funds electronically, rather than by check, and eliminates fees associated with cashing checks. Beneficiaries do not need a bank account to participate. OST partnered with the Department of the Treasury to offer the debit card option.

To view more information about the Chase MasterCard® debit card pilot program visit the OST website at www.doi.gov/ost. The following frequently asked questions, and more, are listed there. On the website, select the “What’s New” button then click the debit card link.

FREQUENTLY ASKED QUESTIONS (FAQs)

AND IMPORTANT INFORMATION

ABOUT THE CHASE DEBIT CARD PILOT PROGRAM

Is the debit card program different than direct deposit? Yes. Account holders with an existing relationship with a financial institution may continue to choose to receive their funds through an electronic transfer directly to their checking account. The debit card is an additional option for beneficiaries who wish to receive their IIM funds electronically, and may be particularly helpful for beneficiaries who do not have an existing checking account.

How can I get information or enroll in the new Chase debit card pilot program and is enrollment free? Call the OST Trust Beneficiary Call Center toll free at 1-888-678-6836, if you have questions about the program or to request an enrollment packet.

Can I enroll in the new Chase debit card pilot program with my Fiduciary Trust Officer? Yes.

If I don't like the Chase debit card for any reason, can I close my debit card account? Yes, you can stop participation in the debit card program at anytime and for any reason. Just call the Trust Beneficiary Call Center toll free at 1-888-678-6836 for assistance with this process. Any funds remaining on your card when you cancel will still be available for your use until they are depleted.

How will I get my money? Instead of receiving a check, OST will transfer your trust funds to Chase for automatic deposit into your Chase debit card account. Your funds are available for your use with your debit card as soon as Chase bank credits the funds to your debit card account.

Do I need to know the balance on my Chase debit card account in order to make a purchase? It is very important for you to know the balance on your new debit card before making purchases, so that you won't have your transaction denied. You can only use your debit card to spend the amount that you have in your debit card account. Merchants will not have access to information about your account balance.

Will I receive debit card account statements from Chase? You will receive periodic statements from Chase showing your debit card account activity. Your statements will be sent to your mailing address unless you choose to receive your statements at an email address.

Will I continue to receive account statements from OST? Yes. OST will continue to send a quarterly statement to you. This statement will not show any activity from use of your debit card.

Where can I use my new Chase debit card? You can use your debit card:

- At an ATM for cash withdrawals or account balance inquiries (please note the information on possible fees above).
- At retail locations where MasterCard® is accepted to make purchases or to get cash from your debit card account.
- At Post Offices to purchase stamps, mail supplies, and money orders.
- To make purchases by phone or on the Internet.

Will OST know how I use my Chase Debit Card and where I spend my debit card funds? No.

