

TRUST MATTERS

Department of the Interior —
Office of the Special Trustee
for American Indians

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Making Strides in Trust Reform: Questions for Special Trustee Ross Swimmer

The Office of the Special Trustee for American Indians (OST) was created by the American Indian Trust Fund Management Reform Act of 1994. Over the years, OST has seen many changes, challenges, and accomplishments. Special Trustee Ross Swimmer reflects on the organization, its accomplishments, and the work that still needs to be done.



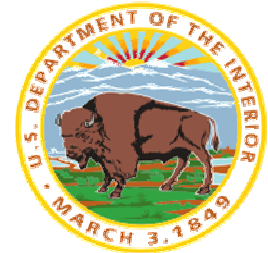
What are you most proud of at OST?

Our efforts in accounting for and investing trust funds, and training employees. We are using new, efficient accounting systems, and funds are being professionally managed. Prior to fiscal year 2000 or so, many Indian Affairs employees working in fiduciary trust activities at Interior had no extensive trust training, and had not been hired with a prerequisite of trust experi-

ence. Through courses like Cannon's Fiduciary Trust Principles, we've trained hundreds of employees and we've hired experienced staff. I am also pleased with our new beneficiary outreach efforts. The Trust Beneficiary Call Center has handled more than 33,000 phone calls this year; trust officers in the field are working one-on-one with beneficiaries; and we are producing new brochures and materials to help people better understand their accounts.

What does OST still need to do? OST and BIA still have work to do in trust reform and a massive job ahead of us in the clean-up and conversion of trust data from old legacy computer systems to modern systems. There are 80-plus locations to be converted, and thousands of probates and leases that need to be processed or validated. We also have a responsibility to make these reforms while being good stewards of the Federal budget. So far we have been successful in obtaining appropriations for trust reform for the benefit of Indian beneficiaries across the nation. The bulk of our budget is spent on working with BIA to meet Interior's trust responsibilities.

What do you want Interior employees to know? That they have an incredibly important job to do. We must be accountable to beneficiaries by finding efficient, innovative ways to manage the trust. (Continued, page 2)



Trust Beneficiary Call Center Toll-free:

(888) 678-6836 ext. 0,
Monday through Friday
7 am to 5 pm, Mountain Time

Hours will be extended in coming months.

Trust Certification Courses

Interior and tribal trust employees are encouraged to sign up for Cannon trust training courses. These are just a few courses available. For more information call (505) 816-1023.

Indian Fiduciary Trust Principles

September 26-29, Tulsa, OK
October 11-14, Albuquerque, NM
October 31-Nov. 3, Rapid City, SD

Trust Accounting

October 25-27, Phoenix, AZ

Fiduciary Behaviors

September 14-16, Rapid City, SD
September 21-23, Albuquerque, NM

Asset Management

September 19-21, Albuquerque, NM
October 12-14, Rapid City, SD

Risk Management

September 21-23, Albuquerque, NM
October 3-5, Portland, OR
November 8-10, Billings, MT
November 29-Dec. 1, Tulsa, OK

Wills and Probates

October 18-20, Albuquerque, NM
November 1-3, Portland, OR

Interview with Ross Swimmer continued:

In the next couple of years we need to quadruple our efforts. We have to make sure beneficiary services are the best they can be for the Indian people.

What have you been doing recently? Traveling and meeting with trust beneficiaries and Indian Affairs employees. I was in Miami at the BIA-OST budget and senior staff meetings. I was in North Dakota at an ITMA Listening Conference and in Seattle at a meeting with the Affiliated Tribes of the Northwest. It's valuable to get out and visit with tribes. I can let people know what OST is doing and help dispel some of the many rumors that are out there in the field. In Seattle one woman had

heard we were giving the trust funds to Bank of America, which of course we aren't.

As for rumors, why is Interior moving away from writing wills? Because of the complexity of the new American Indian Probate Reform Act (AIPRA), we need to involve people who are legally trained in estate planning and will drafting. We need to have legal guidance on the new regulations. AIPRA doesn't take effect until late spring of next year. One of the purposes for the delay in implementing the Act was so we could notify beneficiaries and nonprofit legal organizations of the changes. We are currently working on contacting nonprofits to bring them up to speed on providing services to beneficiaries.

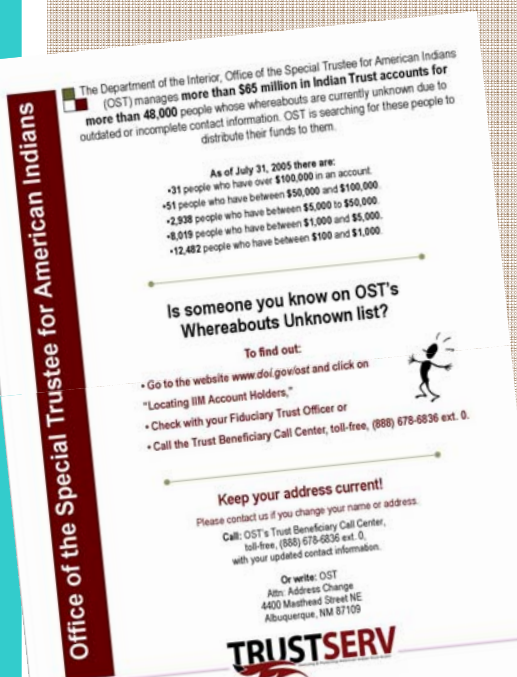
Fiduciary Trust Officers, BIA Staff, and Tribes Collaborate To Find "Whereabouts Unknown" Account Holders

Fiduciary Trust Officers (FTOs), BIA, and tribes throughout the country have had success in collaborative efforts to locate Individual Indian Money account holders whose whereabouts are unknown. With the assistance of the BIA, tribal enrollment offices and tribal social services, FTOs have been able to locate numerous missing account holders. Debbie Wheeler, the FTO located in Nespelem, WA, explains, "Locating beneficiaries on the Whereabouts Unknown list is the result of a team effort among OST, BIA, and the tribes." She adds, "BIA and tribes serve as essential information sources." In Utah, FTO Jim Folsom, BIA staff, and the Uintah and Ouray Tribe located a beneficiary with more than \$100,000 in an account. Other examples of this collaboration include:

- Tim LaPointe (FTO in Ashland, WI), the Great Lakes BIA staff and the Lac du Flambeau Band of Lake Superior Tribe found 816 people who had a total of \$327,696 in accounts.
 - Charles Knowlton (FTO in Poplar, MT), the Fort Peck BIA staff and the Fort Peck Tribe located 45 account holders with a total of \$92,070.
 - Debbie Wheeler, Colville BIA staff and the Confederated Tribes of the Colville Reservation found 875 people with a total of \$1,065,778.
 - Lisa Bullshoe (FTO in Browning, MT), the Blackfeet BIA staff and the Blackfeet Tribe located 244 account holders with a total of \$69,969.
- Still, 48,000 people—including 82 with more than \$50,000 in an account—haven't been located due to outdated or incomplete information. More than \$65 million is held in income accounts for these people. For the list, go to www.doi.gov/ost, and click on "Locating IIM Account Holders," talk to your FTO, or phone the Trust Beneficiary Call Center, (888) 678-6836 ext 0.

Coming to a Mailbox Near You: Whereabouts Unknown

Information To help find missing account holders, OST is including an insert (left) about the Whereabouts Unknown list in every beneficiary's quarterly account statement this fall. The insert gives the web site where people can see a list of names, and who to contact for more information.



OST Listens to Indian Trust Beneficiaries Across the Country

In mid June, at the Huerfano Chapter House on the Navajo Nation, reservation member Sarita Yazzie asked a panel of Interior officials about the probate process. Principal Deputy Special Trustee Donna Erwin offered Yazzie information on new probate laws. Yazzie was one of many Navajo trust beneficiaries who had come to the Inter-Tribal Monitoring Association (ITMA) Listening Conference to ask questions and express concerns about fiduciary trust issues. The meeting was the third ITMA meeting this year; others were held at the Black-



Gallup, NM-based Fiduciary Trust Officer Elizabeth Sparks helps an Indian Trust beneficiary with his account inquiries.

feet Reservation in Montana and at the Shoshone Bannock reservation in Fort Hall, Idaho. Either Special Trustee Ross Swimmer or Principal Deputy Special Trustee Donna Erwin have attended each meeting.

At each Listening Conference there are different issues raised—often depending on the land uses in that area—but there are some recurring themes. The fol-

lowing are common questions and the answers:

Why do I get such a small check ?

The answer depends on each individual's situation, but one reason might be that a beneficiary holds a "fractionated" interest in an individual piece of land and shares income with many people. Donna Erwin urged beneficiaries to contact their local Fiduciary Trust Officer or the Trust Beneficiary Call Center, toll-free, at (888) 678-6836 ext. 0 so OST staff could give beneficiaries specific answers about their accounts.

Does a small check mean I'm not getting market value on my lease?

Federal regulations state that various land transactions require an impartial estimate to ensure that the beneficiary receives fair and just compensation. The Office of Appraisal Services is responsible for Indian land valuations. These appraisals help BIA ensure that the beneficiary receives a fair value. Jim Stockbridge of the Federal Indian Minerals Office in New Mexico, offered the example that with oil and gas assets, lease terms require that Indian beneficiaries receive a higher than average price per barrel. For example, if oil is selling at an average of \$50 a barrel, a buyer must pay royalties on the value at a minimum of \$50.01 per barrel for oil from Indian land.

Where is my settlement money?

Many people have been told that they were going to get large amounts of money from the *Cobell v. Norton* litigation, and have asked about the case. Staff from both BIA and OST explained that their role is to work on reform efforts for trust management, and are not the appropriate people to discuss the litigation. ITMA Executive Director Mary Zuni offered attendees contact information for the Native American Rights Fund to get answers to their questions.

Look for Interior's new trust reform identity!

Introducing . . . Interior's new **TRUSTSERV** symbol, developed to convey and identify our commitment to serving Indian Trust beneficiaries and protecting Indian Trust assets. Our new **TRUSTSERV** identity will appear on brochures and materials that are being produced for the benefit of individual and tribal trust beneficiaries.



OST Produces New Materials For Indian Trust Beneficiaries

Department of the Interior
Office of the Special Trustee for
American Indians
1849 C Street NW, Room 5140
Washington, DC 20240
(202) 208-4866

As part of new efforts to provide information to Indian Trust beneficiaries, OST's Office of External Affairs is producing a series of brochures that will be available to OST offices nationwide. This summer, OST will publish the following brochures and informational publications:

- *Office of the Special Trustee for American Indians, General Information*—this brochure has information on why the office was created, and its roles and responsibilities.
- *Withdrawing Tribal Funds from Trust*—information for tribes on withdrawing tribal funds from the Department of the Interior for independent management.
- *Understanding Your Trust Account*—an explanation of different

Individual Indian Money accounts.

- *Whereabouts Unknown*—a card with information on how to check to see if you are on OST's Whereabouts Unknown list.

- *New Account Holder Welcome Kit*—information for new trust account holders (currently in production). The new account package will include information on OST, understanding account statements, where to get help and information, how to sign up for Direct Deposit, and more. The new materials will be available in the next few months. For information on obtaining these materials contact OST's Office of External Affairs in Albuquerque, NM, (505) 816-1081.



Lock Box: Safeguarding Trust Transactions

New procedures will improve efficiency and safety of trust fund collections

The Office of the Special Trustee for American Indians (OST) is charged with reforming the management of the Indian Trust for Indian beneficiaries. Many of the improvements will be evident to beneficiaries—the Trust Beneficiary Call Center toll-free number, Fiduciary Trust Officers in the field working directly with beneficiaries, the new account statements that beneficiaries will receive, to name a few. But changes are also taking place behind the scenes, such as the new "lockbox" procedure.

A lockbox is a secure processing location, used by most financial institutions to process payments, while minimizing the risk of payment theft, loss, or fraud. When the lockbox is implemented within Interior, individuals or companies who send payments for use of an Indian Trust resource, un-

der a BIA-approved contract or permit, will send those payments directly to the lockbox.

Currently, trust fund collections are mailed to, or collected at, local BIA office locations. Once received, BIA or OST staff is responsible for the trust funds collection processing, depositing (to the U.S. Treasury), and posting to the correct account or accounts. When fully implemented, the lockbox will allow all trust fund collections to be processed electronically and automatically. And Interior staff will spend much less time processing trust fund collections, which will allow them to spend more time serving beneficiaries and addressing other responsibilities. The new project began implementation through a pilot program at the BIA Concho and Anadarko agencies in Oklahoma on July 1, 2005. The goal is to have all trust fund collections sent to the lockbox for processing by the end of September this year.

