

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

ELOUISE PEPION COBELL, <u>et al.</u> ,)	
)	
Plaintiffs,)	
)	
v.)	Case No. 1:96CV01285
)	(Judge Lamberth)
GALE A. NORTON, Secretary of the Interior,)	
<u>et al.</u> ,)	
)	
Defendants.)	
_____)	

NOTICE OF FILING OF INTERIOR'S TWENTY-THIRD STATUS REPORT

Interior Defendants hereby give notice of the filing of their twenty-third status report due in accordance with the Order of December 21, 1999.

A copy of the report is attach hereto.

Dated: November 1, 2005

Respectfully submitted,

ROBERT McCALLUM, JR.
Associate Attorney General
PETER D. KEISLER
Assistant Attorney General
STUART E. SCHIFFER
Deputy Assistant Attorney General
J. CHRISTOPHER KOHN
Director
ROBERT E. KIRSCHMAN, Jr.
(D.C. Bar No. 406635)
Assistant Director

/s/ John T. Stemplewicz
JOHN T. STEMPLEWICZ
Senior Trial Attorney
Commercial Litigation Branch
Civil Division
P.O. Box 875
Ben Franklin Station
Washington, D.C. 20044-0875
Telephone: (202) 307-1104
Facsimile: (202) 514-7162

CERTIFICATE OF SERVICE

I hereby certify that, on November 1, 2005 the foregoing *Notice of Filing of Interior's Twenty-third Status Report* was served by Electronic Case Filing, and on the following who is not registered for Electronic Case Filing, by facsimile:

Earl Old Person (*Pro se*)
Blackfeet Tribe
P.O. Box 850
Browning, MT 59417
Fax (406) 338-7530

/s/ Kevin P. Kingston
Kevin P. Kingston



THE SECRETARY OF THE INTERIOR
WASHINGTON

NOV - 1 2005

Christopher Kohn
U.S. Department of Justice
Civil Division
Commercial Litigation Branch
P.O. Box 875
Ben Franklin Station
Washington, D.C. 20044-0875

Re: Cobell v. Norton – Status Report to the Court Number Twenty-Three

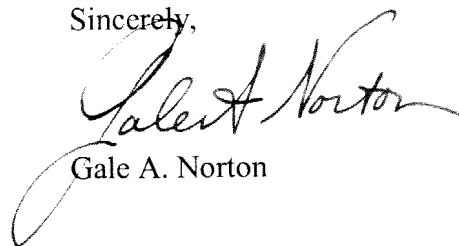
Dear Mr. Kohn:

Enclosed is the Department of the Interior's *Status Report to the Court Number Twenty-Three* (For the Period July 1, 2005 through September 30, 2005). Please forward a copy to the Court.

This is the 16th report in the revised Report format. My signature on this Report reflects my belief that my personal observations are true and correct, and that the information provided to me by others for inclusion in my observations, as well as accompanying sections of the Report are correct to the best of my knowledge.

Thank you for your assistance.

Sincerely,



Gale A. Norton

Enclosure

Status Report to the Court Number Twenty-Three

**For the Period
July 1, 2005 through September 30, 2005**



November 1, 2005

November 1, 2005

TABLE OF CONTENTS

I.	INTRODUCTION.....	1
II.	SECRETARY GALE NORTON’S OBSERVATIONS.....	2
A.	INFORMATION TECHNOLOGY.....	4
B.	CADASTRAL SURVEY	13
C.	MINERALS MANAGEMENT SERVICE.....	15
D.	OFFICE OF HISTORICAL TRUST ACCOUNTING	16
III.	OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS.....	19
A.	TRUST REVIEW AND AUDIT	21
B.	OST-OFFICE OF THE CHIEF INFORMATION OFFICER.....	23
1.	RECORDS MANAGEMENT	23
C.	TRUST ACCOUNTABILITY	26
1.	TRUST BUSINESS PROCESS MODELING.....	26
2.	TRUST DATA QUALITY AND INTEGRITY.....	28
3.	INDIAN FIDUCIARY TRUST TRAINING PROGRAM	30
4.	RISK MANAGEMENT.....	32
5.	REGULATIONS, POLICIES AND PROCEDURES.....	33
D.	FIELD OPERATIONS.....	35
1.	APPRAISAL.....	35
E.	TRUST SERVICES	38
1.	CURRENT ACCOUNTING ACTIVITIES	38
IV.	BUREAU OF INDIAN AFFAIRS	43
A.	TRUST REGULATIONS, POLICIES AND PROCEDURES	43
B.	FRACTIONATION	45
C.	PROBATE	47
	ACRONYMS AND ABBREVIATIONS.....	49

I. INTRODUCTION

This *Status Report to the Court Number Twenty-Three* (Report) represents the period from July 1, 2005, through September 30, 2005. The Report is presented for the purpose of informing the Court on the progress of trust reform activities occurring during this reporting period, and progress of the historical accounting of individual Indian beneficiary funds managed by Interior.¹

This Report is prepared in a manner consistent with previous reports to the Court. Each manager in charge of an area of trust administration and the director of the historical accounting project are submitting reports on the progress of their respective activities.

The Court's attention is directed to the revised format of the OHTA report. The report is significantly reduced in size from previous reports, largely as a result of eliminating several tables. These tables have been used in the past to distinguish between types of accounts being reconciled. The report continues to present in text form the progress of the accounting and related activities during this quarter.

A glossary of acronyms and abbreviations is included in this Report. The glossary is located at the end of the Report.

¹ This report contains information on the broad trust reform efforts underway at Interior. Accordingly, it may include information on reform efforts that are not within the scope of the *Cobell* litigation.

II. SECRETARY GALE NORTON'S OBSERVATIONS

As this quarterly report details, trust management improvements continue to be made at local and regional offices of the Bureau of Indian Affairs. Conversion of systems and business process improvements required in the Fiduciary Trust Model are reportedly now in progress at several more BIA agencies in addition to the pilot agencies. FTM initiatives such as the lockbox for collection of funds due beneficiaries, the call center offering beneficiaries access to information about their accounts and land status, the placement of trust officers at BIA agencies and many other innovations provide greatly enhanced services and accountability for beneficiaries.

Implementation of the FTM includes conversion of many stand-alone trust systems to new interactive systems at all BIA agencies and regions. This requires BIA agency superintendents to rely on new BIA and Interior computer systems to accomplish work that was formerly done through the use of independent local operating systems. The new systems and business processes are designed to have information encoded on a "real-time" basis. Bringing data current in legacy systems in order to convert to new systems requires thousands of hours of contractor support and rigorous quality control. As the FTM is installed throughout the agencies, we are certain to encounter new challenges. The Special Trustee has estimated this work will consume most of the next two years to accomplish. However, our goal of operating in a modern IT environment with consistent practices across all agencies and regions will ultimately improve the overall management of the trust.

As previously reported, Interior is engaged in a significant regulatory initiative to bring our trust and trust-related regulations into compliance with changes in the law and update those regulations that are part of the implementation of trust improvements. This is a significant project that we expect to be completed after consultation is conducted with tribes and the regulations are adopted.

During this reporting period, appropriations for FY2006 were passed by Congress. We did not receive the full amount we requested for historical accounting. Congress appropriated only \$58 million, and indicated that the difference between our request and the appropriated amount was allocated to other Indian affairs and Indian health programs. The remaining requests for funding trust programs in Interior were left intact. However, as a result of the limited funding for the second year in a row, the historical accounting project will necessarily be extended beyond the initially projected completion date.

On July 26, 2005, the Senate Indian Affairs Committee held a hearing on S. 1439, proposed legislation (sponsored by Senators McCain and Dorgan) to legislatively resolve issues regarding the individual Indian trust. Special Trustee Ross Swimmer and Associate Deputy Secretary Jim Cason testified for the Department. They noted that "the introduction of S. 1439 is the first serious Congressional effort we have seen to comprehensively resolve the issues involved in the Cobell lawsuit. While many details remain to be negotiated and clarified, the bill represents an important step towards bringing the parties together for a meaningful effort to seek closure on this matter." Other witnesses represented tribes and the Cobell v. Norton plaintiffs. There has not been any formal action on this bill.

STATUS REPORT TO THE COURT NUMBER TWENTY-THREE

November 1, 2005

Secretary Gale Norton's Observations

I have been informed that, as of September 30, 2005, the Office of Historical Trust Accounting had fully reconciled an additional 6,538 judgment and per capita accounts (including some with no current balance). As I mentioned in the last quarterly report, OHTA is awaiting permission from the Court to send the results to 28,107 account holders. A submission to the Court for authorization to mail the results of these account reconciliations was filed on March 24, 2005.

During this reporting period, Interior prepared *Historical Accounting for Individual Indian Monies: A Progress Report*, highlighting Interior's historical accounting progress in several areas. The *Progress Report* notes that Interior has consolidated, indexed, and stored over 120,000 boxes of records at the state-of-the-art American Indian Records Repository in Lenexa, Kansas, preserving the records effectively while keeping them accessible and searchable. OHTA reported that it has reconciled over 17,000 transactions in land-based IIM accounts, including over 99% of transactions sampled in the Litigation Support Accounting project. Based on a report dated September 30, 2005, from NORC, the statistical consultant, these numbers should be sufficient to allow statistically valid conclusions to be drawn; namely, about 1% of all deposit and disbursement transactions from 1985 through 2000 are different from the expected amount, and posting errors constitute less than 1% of the dollars reconciled. The *Progress Report* also noted that Interior has reconciled over 53,000 Judgment and per capita IIM accounts, has mailed more than 12,000 historical statements of account to judgment IIM account holders, and has distributed over \$36 million in residual balances from special deposit accounts.

I am told by our security experts that every Internet based system is vulnerable to threats of hackers as well as other malicious activity. Certainly, one of my goals has been to reduce the threat to our systems. As part of that commitment, Interior bureaus and offices continue to have their computer systems examined and challenged for security by the Office of the Inspector General, outside contractors and their own internal security analysts. From this testing, I hope our vulnerabilities can be identified and corrected. While I am encouraged by the improvements during the past four years, I recognize that risks remain, not only to Indian trust data, but to Interior systems generally. However, in spite of these risks, we also have to conduct day-to-day operations. While risks are being eliminated, these risks can also be mitigated in order to allow systems to operate. Our challenge is to adequately protect systems within limits of our budget and other constraints.

During this reporting period, NARA disclosed to Interior that certain records under the legal and physical custody of NARA as the permanent records of the United States, including some Indian related records, were found in trash containers at the National Archives building in Washington, D.C. NARA officials have advised us that this matter has been referred to their Inspector General for investigation. While these records are under neither my control nor the control of anyone else at Interior, I am concerned about the potential loss of such records and will be monitoring the situation as information from NARA becomes available.

A. INFORMATION TECHNOLOGY

Introduction

This section describes the status of Interior IT systems, particularly the systems that house or provide access to IITD or provide various computing capabilities, including functions critical to the proper administration of the individual Indian trust responsibilities within Interior. In addition, this section describes various efforts being made to improve IITD security within Interior, pursuant to OMB Circular A-130 Appendix III, and the status of Internet connectivity.

Accomplishments and Completions

Computer Security:

Interior continues to make progress in ensuring IT security. A primary focus for this reporting period has been implementing corrective actions for weaknesses identified by the Interior penetration tests and audit of financial systems. Additional efforts were focused on:

- Performing continuous monitoring of Internet-accessible systems;
- Preparing submission of the annual FISMA report;
- Conducting annual IT security awareness and role-based training;
- Submission of annual assurance statements required to complete the annual PAR; and,
- Continuing to validate and improve the C&A packages completed previously.

The most noteworthy accomplishments and completions during the reporting period are described below.

Prevention and Monitoring

- Interior continued its extended vulnerability scan testing of Internet-accessible systems. The extended testing checks for approximately 7,400 different types of vulnerabilities, in addition to the SANS Top 20 vulnerabilities of previous testing. Since the last reporting period, Interior tested over 5,000 Internet-accessible network devices (for example, servers, routers, switches.) Initial results from January to April 2005 indicated over 5,000 potential vulnerabilities, but included many false positives and duplications. By the end of this reporting period, potential vulnerabilities were substantially reduced. This reduction results from routinely scanning network devices for potential vulnerabilities and working toward correcting or mitigating identified weaknesses. 121 vulnerabilities remained and continued to be mitigated as of the end of the reporting period.
- Potential incidents that were reported to DOI-CIRC during this reporting period include 22 successful incidents. None appears to have resulted in any known compromise of IITD. Successful incidents are those that were not prevented or blocked by Interior at the time of their occurrence.

STATUS REPORT TO THE COURT NUMBER TWENTY-THREE

November 1, 2005

Information Technology

- OIG completed a FISMA documentation review for OST, with no deficiencies noted during the review. The draft or final report has not been received.
- BLM conducted two significant, separate table-top contingency exercises of MAs and the enclave GSS. BLM conducted an exercise of the ALIS contingency plan on August 9, 2005. Multiple other MAs participated in a contingency plan exercise on September 14, 2005.
- As reported to the court on September 2, 2005, a limited amount of IITD was discovered in BLM's LR2000 database on August 18, 2005. Internal access to LR2000 was immediately blocked. A data quality review was conducted by BLM. All IITD was removed from LR2000. The security module was modified to include access disclaimers requiring users to refrain from using LR2000 for any Indian trust-related work. Additional scans were completed on August 24, 2005. BLM's DAA approved access restoration on an internal basis as of August 26, 2005.
- MMS conducted monthly network vulnerability scans on internal servers and network devices. Due to the hurricane impacts to the Gulf of Mexico, including severe damage to MMS facilities, limited remediation occurred for the August and September scan results. The tracking system in New Orleans was not restored until after the end of the reporting period.
- As reported to the Court on August 25, 2005, MMS detected an unauthorized change of an administrator password on the MRMSS externally-hosted portal in August 2005. The incident is still under investigation with the OIG and FBI. Based upon the investigation to date, there is no reason to believe the integrity of any data was compromised. Changes have been made to increase event monitoring at both the perimeter firewalls and application. Security scans of the application have been conducted, additional scans are scheduled. Final security scans and a security review are expected to be conducted by an independent third party contractor.
- NBC initiated remediation activities to address vulnerabilities identified in the second OIG penetration testing conducted on NBC systems in July. Personnel data was accessed, in the course of testing NPS systems. Immediate action was taken on critical vulnerabilities and NBC continues to track progress of remaining tasks from both penetration testing exercises.

Policies and Guidance

- The Interior CIO issued OCIO Directive 2005-012, "Wireless Network Security," to the bureau and office chief information officers on July 29, 2005. This directive outlines the security requirements for wireless networking devices within Interior and requires adherence to "Wireless Security Technical Implementation Guide," Version 2.0, July 21, 2005. The CIO also approved the "DOI Wireless Data Communications Strategy" on August 3, 2005.

STATUS REPORT TO THE COURT NUMBER TWENTY-THREE

November 1, 2005

Information Technology

- The Interior CIO issued a memorandum, “Implementing OCIO Directive 2005-007 for 4th Quarter Plans of Action and Milestones (POA&M) and 4th Quarter Federal Information Security Management Act (FISMA) Performance Measures,” to the heads of bureaus and offices on August 18, 2005. This memorandum provides guidance in completing POA&Ms and FISMA performance measures in accordance with OMB requirements and Interior OCIO Directive 2005-007.
- The Interior CIO issued a memorandum, “External Vulnerability Scans – MCI Service,” to the Deputy Secretary, assistant secretaries and heads of bureaus and offices on September 12, 2005. This memorandum outlines the vulnerability scanning program conducted by MCI. It requires bureaus to address systems with critical vulnerabilities first, and to isolate from the Internet vulnerable systems or services until the issue can be resolved, if the vulnerabilities can not be immediately remediated or identified as false positives.
- The Interior CIO issued a memorandum, “Temporary Approval of Wireless Technologies Waiver Requests to Support Emergency Efforts,” to the assistant secretaries and heads of bureaus and offices on September 23, 2005. This memorandum provides specific criteria and conditions regarding the use of wireless technologies or access to non-Interior provided wireless networks to enable efficient implementation of the Federal National Response Plan.
- The Interior CIO issued OCIO Directive 2005-015, “Information Technology (IT) Audit Findings and Corrective Actions,” to the heads of bureaus and offices on September 26, 2005. This directive supplements existing policies and guidance to improve the overall quality of IT audit findings and responses.

Training and Awareness

- Overall, 98% of Interior employees and contractors who use or access Interior computer systems completed the Interior FY2005 required annual end user Federal information systems security awareness training. 66% of employees with significant IT security responsibilities received specialized training, as described in NIST Special Publication 800-16 *Information Technology Security Training Requirements: A Role- and Performance-Based Model*.
 - All required BLM, MMS, SOL, OHA, Office of the Secretary and Office of the Assistant Secretary – Indian Affairs employees and contractors completed the end user training. 98% of the required OST employees and contractors completed the Interior FY2005 annual training. 97% of BIA staff completed the training. The remaining BIA staff who did not receive training (289 Indian Education employees) do not require computer access, or left BIA employment prior to the reporting deadline.
 - The BLM, MMS and OHA employees and contractors with significant IT security responsibilities received specialized training. 97% of Office of the Secretary, 66% of

STATUS REPORT TO THE COURT NUMBER TWENTY-THREE

November 1, 2005

Information Technology

SOL and 58% of OST employees with significant IT security responsibilities received specialized training

- In September 2005, the Deputy Assistant Secretary – Indian Affairs/CIO sponsored three workshops on recent and evolving NIST security requirements, specifically covering FIPS 199 and NIST SP 800-53 guidance for system characterization and for selecting appropriate security controls. A total of 50 BIA and other Interior bureau staff (including both Federal employees and contractors) attended the three sessions offered.
- The quarterly Fall 2005 MMS Information Security Awareness Newsletter was distributed to MMS employees and contractors on September 23, 2005, to keep users abreast of IT security issues.

Plans of Action and Milestones:

Interior tracked 1,730 POA&M recorded weaknesses, of which 529 weaknesses were identified this quarter and 1,201 (reported incorrectly in the previous status report as 1,206 due to a data transposition error) weaknesses were carried over from the third quarter. Interior remediated and closed out 416 weaknesses this quarter. Interior is currently tracking 1,314 open weaknesses. All bureaus and offices with trust systems certified the completion of POA&M corrective actions.

A-130 Certification and Accreditation:

Ninety-eight percent of Interior systems have full authority to operate (ATO) status. The C&A packages for all of those systems have been reviewed by a qualified third party for compliance with A-130 standards and requirements. 74% of the reviewed packages received passing scores. C&A packages that had not met minimum compliance review scores on initial reviews continue to be improved.

OST completed an update of its IT contingency plan, its disaster recovery plans for 5 minor applications running within OSTNet, and its SSP for OSTNet. OST updated its ST&E Guide for OSTNet to incorporate FIPS 199 and NIST SP 800-53 requirements. OST evaluated OSTNet using the updated ST&E, which resulted in an update to the OSTNet risk assessment. OST conducted a table-top disaster recovery and continuity of operations exercise.

Due to the recent implementation of Active Directory and new security controls, OHA initiated a re-certification and accreditation of OHANet. As part of this process, OHA validated the information types, information security categorization, and corresponding system characterization.

SOL completed its first C&A and received full authority to operate SOLNet.

IT Systems Architecture:

Interior completed a Departmental Solution Development Life Cycle document, which more tightly couples EA, CPIC, and security requirements during development or acquisition of IT systems.

EA is dynamic. As systems are deployed and others are decommissioned, the architecture changes. Therefore, the updating, population and maintenance of the DEAR is a continual process that occurs every quarterly reporting period. Bureaus are required to keep the repository accurate and current.

DOI Land and Resource Management System (DLRM)

As previously reported, the DLRM system is expected to provide a long-term solution for the legacy functionality of the CGI leasing software module, formerly a part of the TAAMS project. A pre-solicitation notice for DLRM was published on August 21, 2005, but the solicitation was subsequently cancelled. In order to go forward with the project, functional requirements for all Interior land and resource management mission areas need to be validated to define a comprehensive enterprise capability and funding strategy.

ESN:

- MMS completed the connection to the ESN Internet gateway for the Herndon, VA, and Denver offices this reporting period. The New Orleans Regional Office was connected to ESN in mid-October, having been delayed due to the recent hurricanes in the Gulf.
- NBC, NPS and OSM were connected to the ESN Internet gateway this reporting period.

Current Status

ZANTAZ

- ZStage refers to a ZANTAZ software indicator which shows whether an e-mail message has been properly processed. Interior addressed the ZStage issue in a September 11, 2005, filing and at a September 15, 2005, status conference.
- During this reporting period, OST discovered a limited processing problem identified by reviewing ZStage data and took steps to mitigate it. OST is expecting to send 160 tapes to ZANTAZ to recover missing data from February 19, 2005, to September 8, 2005. OST engaged an independent third party contractor to conduct a complete review of the OST electronic mail environment, identify any ZANTAZ issues or problems, and develop corrective actions. Receipt of analysis reports and corrective actions plans is pending.
- NBC determined that the incident discovered on June 21, 2005, noted in the previous reporting period, will require 419 back-up tapes to be sent from DC to ZANTAZ for

STATUS REPORT TO THE COURT NUMBER TWENTY-THREE

November 1, 2005

Information Technology

processing. The incident covered the period of August 28, 2004, through August 13, 2005, when a fix was implemented. NBC Denver has not yet resolved the incident, but estimates 46 back-up tapes will need to be sent for processing.

- On October 7, 2005, SOL's configuration was corrected by ZANTAZ. All messages are now going to the Digital Safe. SOL expects to send 96 tapes to ZANTAZ to recover missing data from February 22, 2005 to October 7, 2005.
- BIA expects to send 280 backup tapes to ZANTAZ to recover missing data from October 25, 2003 through January 27, 2005. Tapes covering earlier periods were previously sent to ZANTAZ (the last tape processed by ZANTAZ was on October 24, 2003, which included the Juneau server.)
- Tape delivery and subsequent restoration cannot proceed until Interior has completed its contract negotiations with ZANTAZ. Accordingly, the OCIO cannot at this time estimate a date for the delivery of the tapes to ZANTAZ.

Reports:

These reports are likely to be of interest to the Court, including several that were issued following the end of this reporting period.

- Interior anticipates filing the FISMA report and the OIG annual evaluation with the Court in the near future.
- OIG issued *The Department of the Interior's Process to Manage Information Technology Security Weaknesses*, Report No. A-EV-MOA-0001-2005, on September 23, 2005. OIG recommended that Interior declare a material weakness with respect to the POA&M process based on its review of POA&Ms from September and November 2004. OIG sampled 133 corrective actions that were reported as having been completed, and opined that 48% of those actions had not been implemented to his satisfaction.

As noted in this OIG report, the CIO concluded that Interior's existing POA&M process is adequate, and that the OIG assessment of POA&Ms was based on reviews conducted early in FY2005 and did not reflect subsequent improvements implemented to correct noted issues. These improvements included requiring additional verification and validation of completed corrective actions. For each quarterly POA&M submission, bureau and office CIOs review the completed POA&M corrective actions, and attest to their implementation prior to noting the action as closed on the POA&M.

- OIG, through its contractor, was unsuccessful in its efforts to penetrate the MMS systems. OIG Report *NSM-EV-MMS-0021-2005 MMS Penetration Testing* noted that no significant vulnerabilities were discovered that would allow penetration into MMS networks or

unauthorized access to information. MMS is reviewing the final report for inclusion of identified weaknesses on the POA&M.

- As reported to the Court on September 28, 2005, OIG issued the results of its Phase 3 penetration testing on September 6, 2005. Phase 3, conducted between May and mid-August 2005, included penetration testing on FWS, NPS and OSM. The report also included the completion of BOR National Critical Infrastructure Information Systems reviews. Phase 3 test results show that OIG was not able to penetrate FWS and OSM, but that a penetration of NPS allowed testers to traverse to NBC's systems without detection. OIG also found that "the SCADA systems are operating in relative safety from potentially catastrophic cyber-security threats."
- GAO issued "Information Security: Weaknesses Persist at Federal Agencies Despite Progress Made in Implementing Related Statutory Requirements" (GAO-05-552). This report is based on agency reports of FY2003 and FY2004 and related GAO reports from FY2003 through FY2005. Although it notes that the government is making progress in implementing FISMA, it finds pervasive weaknesses in information security policies and practices across all major agencies. As this report assesses the challenges in implementing IT security programs government-wide, it may or may not be of interest to the Court.

Delays and Obstacles

There are many challenges that must be addressed regarding the integration, performance, funding, security, and data integrity of IT systems generally. Like other federal agencies, Interior must address these challenges for its IT systems. Interior initiated or completed steps to address some of the challenges reported in this and previous reporting periods. However, delays and obstacles listed here impede progress in achieving Interior's IT management goals:

Hurricane Katrina

- Hurricane Katrina has had severe impacts on resources. Key staff members for MMS IT security are based out of the New Orleans office, and were unable to work or only able to work sporadically since the event. MMS temporarily shut down its computing facility in New Orleans. This facility will be restored to service as soon as conditions warrant and resources are available. Essential systems have been relocated and/or restored at other MMS sites and are available. A temporary office was established in Houston that may operate for up to one year. The results of these efforts demonstrated the workability of the MMS business continuity plan.

Litigation

- Collection and production of documents and court appearances continued to place significant strain on available staff and contractor resources throughout much of this reporting period, resulting in substantial delays in accomplishing planned and required work. The extent of the effort required for this document production resulted in significant backlogs and

rescheduling that will hamper Interior's efforts for months to come. Production of documents has exceeded 4.5 million pages. This litigation continued to impact:

- FISMA compliance actions
 - Interior's financial audit
 - OMB and Congressional reporting requirements
 - Migration to a single e-mail messaging system
 - Migration to a single Active Directory system
 - Complying with HSPD-12 for implementing E-Authentication in Interior
 - Delay in moving Interior bureaus and offices to a single WAN
 - Updating Interior policies to fully comply with issued guidance and regulations
- Employee fears about becoming personally implicated in the *Cobell* litigation continued to be heightened as individuals from varying levels in Interior were required to testify at the evidentiary hearing. These fears continue to undermine communication and decision-making, and along with burn-out from demands for volumes of document production, are contributing factors to low employee morale.

Staffing

Interior is experiencing high staff and management turnover in critical IT positions, particularly IT security. For example, the Department's Chief Information Security Officer resigned on October 11, 2005. Resulting impacts to communication, efficiency, and oversight are impeding IT security service area functions.

Funding and Resources

- Considerable expense was incurred as a result of collecting and producing over 4.5 million pages of material for the litigation. This expense diminished the funding available for security improvement and program evaluation.
- With the significant increase in FISMA reporting required by OIG, the resources (time, personnel, and funding) provided for IT security-related activities were diminished. Interior continues to prioritize its FISMA needs in its budget requests within fiscal constraints.
- Funding availability will continue to dictate the timing of IT-related initiatives. Interior's FY2006 budget will require managing a variety of IT-related requirements and tradeoffs.

Denied Internet Access

- Several Interior bureaus and offices (BIA, OHA, OST and SOL) have not been permitted by the Court to have Internet access since December 5, 2001. Lack of Internet access impedes work processes and the ability to communicate effectively, both internally and externally. For example, lack of connectivity hampers internal communication among bureaus providing customer service to individual Indians at FIMO located in the BLM Farmington Field Office.

STATUS REPORT TO THE COURT NUMBER TWENTY-THREE

November 1, 2005

Information Technology

- Maintaining security on internal systems is more difficult without access to the Internet for research, reporting, and patch management. Similarly, promulgation of policy and training is substantially hampered by the lack of interconnectivity and Internet access.

Assurance Statement

I concur with the content of the information contained in the Information Technology section of the *Status Report to the Court Number Twenty-Three*. The information provided in this section is accurate to the best of my knowledge.

Date: October 31, 2005

Name: *Signature on File*
W. Hord Tipton
Interior Chief Information Officer

B. CADASTRAL SURVEY

Introduction

Cadastral surveys provide assurance that land boundaries for individual Indian and tribal trust lands are identified appropriately. By federal law, surveys of Indian lands are to be performed under BLM's direction and control. Official surveys, whether preexisting or new, identify the location of land boundaries of Indian trust assets and determine official acreage. The official surveys are integral to realty transactions, resource management activities, litigation support and the federal system of patent, allotment and survey records maintained by BLM. Ownership information, distribution of trust assets, and management of trust accounts may be related to or based upon information recorded in official surveys.

Accomplishments and Completions

Educational Opportunity and Outreach

During this reporting period, BLM and the Oregon Institute of Technology began an outreach effort with the private sector to support the existing cooperative partnership. The objective of this partnership is to emphasize the public land surveying curriculum and to partner with American Indian Tribes and organizations to promote and encourage survey education for individual Indians.

Current Status

Interior Indian Trust Lands Boundary Standards (Draft)

The Draft Boundary Standards continue to be reviewed and revised based upon comments received by SOL. Upon completion of SOL review, an updated draft will be provided to Interior bureaus, offices and other affected parties.

Funding of the Recommendations Outlined in the FTM

During this reporting period, information was developed to justify funding of the FTM goals as they relate to the four cadastral survey initiatives. These four initiatives include: (1) funding for the 12 BLM Indian lands surveyors located in the BIA Regions; (2) creation of the CFedS program (where state licensed land surveyors can be certified to perform commercial activities under the direction and control of BLM); (3) improving the maintenance of the PLSS within Indian Country; and (4) creation of one standardized source of land status information based on cadastral data that delineates the official legal land descriptions. BLM has funding in FY2006 for the regional surveyors and the CFedS program.

The BLM Indian lands surveyors for the Eastern Oklahoma and Great Plains Regions are hired and have reported to their respective duty locations. The BLM Indian lands surveyors for the Midwest and Northwest Regions are actively working with BIA staff and others in addressing

survey boundary issues. The Southern Plains lands surveyor is scheduled to report during the next reporting period. The remaining seven BLM Indian lands surveyor positions were advertised at the end of this reporting period and it is anticipated that these individuals will be selected during the next reporting period.

During this reporting period, the CFedS project manager position was filled at the BLM National Training Center. Briefings on the CFedS project were presented to Interior bureaus and offices.

Delays and Obstacles

Disconnection from the Internet

The Court-ordered disconnection from the Internet continues to adversely impact the way communications are handled between BLM, BIA, OST and SOL, including the way CARS is being implemented and the review of the Interior Indian Trust Lands Boundary Standards. BLM's productivity has decreased, and the cost associated with dual networks has caused the cost of survey services to increase. This issue continues to impact BLM's ability to provide cadastral services in an effective and cost efficient manner to clients.

Funding of the FTM

Planning and scheduling of out-year FTM work is dependent on future funding.

Assurance Statement

I concur with the content of the information contained in the Cadastral Survey section of the *Status Report to the Court Number Twenty-Three*. The information provided in this section is accurate to the best of my knowledge.

Date: October 27, 2005

Name: *Signature on File*
Donald A. Buhler
Chief Cadastral Surveyor
Bureau of Land Management

C. MINERALS MANAGEMENT SERVICE

Introduction

Minerals Revenue Management, an MMS program, is responsible for collecting, accounting for, and distributing mineral revenues from both federal and Indian mineral leases, and for evaluating industry compliance with laws, regulations and lease terms. MRM maintains reported information and distributes revenues at the lease level. BIA maintains individual Indian ownership records that are used to provide information to OST for disbursement of the lease revenues to individual Indian beneficiaries.

Current Status

Indian Oil Rule

MMS continued with the rulemaking process for the valuation of oil produced from tribal and allotted Indian lands. The proposed rule for valuing crude oil produced from Indian leases now is expected to be published in January 2006.

Payment Receipt Date Verification

As previously reported, MMS completed the PeopleSoft upgrade in January 2005; and as of July 31, 2005, all software changes were successfully tested and incorporated into MRM's financial system. With the implementation of the changes, future errors should be prevented. MMS is working with its contractor to determine when system modifications can be made that should allow MMS to identify any prior errors in the Indian mineral revenue distribution file. Any potential additional interest that may be due to recipients would be identified upon review and analysis of the data produced from the system modifications.

Assurance Statement

I concur with the content of the information contained in the Minerals Management Service section of the *Status Report to the Court Number Twenty-Three*. The information provided in this section is accurate to the best of my knowledge.

Date: October 19, 2005

Name: *Signature on File*

Cathy J. Hamilton
Chief of Staff
Minerals Revenue Management
Minerals Management Service

D. OFFICE OF HISTORICAL TRUST ACCOUNTING

Introduction

OHTA was established by Secretarial Order No. 3231 on July 10, 2001, and is charged with planning, organizing, directing and executing the historical accounting of IIM and tribal trust accounts.

Current Status

Judgment and Per Capita IIM Accounts

OHTA continues to perform historical accounting procedures on Judgment and Per Capita IIM accounts. OHTA received the electronic IIM transaction data files it uses for the Judgment and Per Capita IIM account historical accounting in 2003 from one of its contractors, which had received the data files directly from OST in 1999; the data files were received by OHTA from a system that was not connected to the Internet. Since its 2001 inception, neither OHTA nor its contractors have stored the data on a system connected to the Internet.

During this reporting period, OHTA completely reconciled an additional 3,852 Judgment IIM accounts and 3,521 Per Capita IIM accounts.

Mailings to Judgment and Per Capita IIM Account Holders

A submission to mail 28,107 additional Historical Statements of Account, filed with the Court on March 24, 2005, is still pending approval. Consequently, OHTA has not mailed these Historical Statements of Account during this reporting period.

Land-Based IIM Accounts

A Litigation Support Accounting Project for the Electronic Records Era (1985 – 2000) for the land-based IIM accounts was begun in 2004. This Project involved reconciliation work on High-Dollar transactions (those equal to or in excess of \$100,000) and on a National Sample of transactions (statistically selected from those under \$100,000) in Land-Based IIM accounts. A report on this work was delivered to OHTA on September 30, 2005. Over 99% of the random sample of transactions have been reconciled to the supporting documentation for all 12 BIA Regions.

The report highlights include:

Debits (principally, cash disbursements)

- Reconciliation results show the debit difference rate to be 0.4%. With an assurance level of 99%, the difference rate for all debits is no more than 1.3%. The estimated rate of

differences disadvantageous to the IIM account holders with an assurance level of 99% is 0.7%. This disadvantageous difference rate at a 95% assurance level is 0.6%.

- With an assurance level of 99%, the estimated dollar exposure for debit differences disadvantageous to IIM account holders is no more than \$4 million. At a 95% assurance level, the dollar exposure is slightly over \$2 million.

Credits (principally, cash receipts)

- Reconciliation results show the credit difference rate to be 1.3%. With an assurance level of 99%, the difference rate for all credits less than \$100,000 is no more than 7.0%. The estimated rate of differences disadvantageous to the IIM account holders with an assurance level of 99% is under 4.0%. This disadvantageous difference rate at a 95% assurance level is 3.0%.
- With an assurance level of 99%, the estimated dollar exposure for credit differences disadvantageous to the IIM account holders is no more than \$86 million. At a 95% assurance level, the dollar exposure is \$42 million.

Statistically, no evidence was found to suggest that under- and over-payments were different. That is, the under- and over-payments occur at about the same rate and the distribution of the difference amount is statistically equivalent (whether the differences were under or over the recorded amount).

OHTA SDA Distribution Project

In previous reports to the Court, the SDA balances remaining to be distributed included net principal and interest activity that occurred subsequent to December 31, 2002. The SDA balance reported in *Status Report to the Court Number Twenty-Two* has been reduced by the principal receipts (net of disbursements thereof) and interest activity posted to the OHTA SDA population since January 1, 2003, a total reduction of \$5,540,163. This change in the basis of reporting will more accurately reflect the balances remaining to be distributed in the OHTA SDA Distribution Project.

During this reporting period, 258 SDAs involving \$1,345,082 were resolved. There remain 11,963 SDAs involving \$20,574,115 to distribute.

Interest Recalculation

Interior plans to recalculate expected interest payments for each IIM account. During this reporting period, OHTA completed an interest recalculation effort for Alaska Region Land-Based IIM accounts for transactions occurring during the Electronic Records Era (1985 – 2000). Completion of the interest recalculation effort for all Regions will account for approximately 40% of the total number of transactions in Land-Based IIM accounts and will help facilitate the identification and resolution of data gaps in the electronic records.

Imaging/Coding – Individual Indian Trust Documents

During this reporting period, OHTA completed scanning 928,680 pages, coding 48,349 documents and loading 50,176 documents into the Accounting Reconciliation Tool.

Delays and Obstacles

Enacted appropriations for FY2003 through FY2005 have been below the President's requests. This has prevented OHTA from making the progress it projected in the January 6, 2003, Plan filed with the Court.

Assurance Statement

I concur with the contents of the information contained in the Office of Historical Trust Accounting section of the *Status Report to the Court Number Twenty-Three*. The information provided in this section is accurate to the best of my knowledge.

Date: October 31, 2005

Name: *Signature on File*
Bert T. Edwards, Executive Director
Office of Historical Trust Accounting

III. OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS

Introduction

The Office of the Special Trustee for American Indians was created by the American Indian Trust Fund Management Reform Act of 1994. The 1994 Act provides direction to the Department of the Interior on accounting for Indian trust funds and reforming the operation of the Indian fiduciary trust. The Special Trustee's responsibilities under the Act include creating a comprehensive strategic plan for the operation of the trust and providing oversight of the accounting for Indian trust funds and the reform of the trust. In addition to other trust reform-related duties assigned by the Secretary, the Special Trustee accepted the transfer of the Office of Appraisal Services from BIA to OST.

Special Trustee's Observations

Trust Initiatives for the 21st Century

Work was completed at the pilot agencies to enable the first mailings to beneficiaries of comprehensive account statements as required by the 1994 Act. In addition, a schedule was agreed upon to incorporate the new systems, to perform quality reviews of information contained in data files, making corrections where necessary, and to record backlogged information into the appropriate systems at the remaining BIA agencies, field offices and LTROs. This effort is expected to be approximately 85% complete by the end of CY2006, with all agencies fully converted by the end of CY2007.

Interior Regulatory Initiative working groups continue to draft language to further the implementation of the FTM, comply with requirements of AIPRA and streamline business processes. The draft language will be the subject of various consultation sessions with Tribes and other stakeholders. This consultation process is expected to begin by the end of the first quarter of CY2006.

Implementation of the FTM is a massive project. It requires conversion of systems, upgrading BIA processes and coordinating this work with other Interior bureaus and offices. When completed, this effort should result in a much more efficient, accurate and timely processing of information and in enhanced accountability to trust beneficiaries.

American Indian Probate Reform Act

During this reporting period, BIA awarded a grant to a non-profit organization to develop training courses for attorneys engaged in writing wills for Indian people with trust assets. This grant also includes community outreach on estate planning and helping Indian trust beneficiaries understand AIPRA.

STATUS REPORT TO THE COURT NUMBER TWENTY-THREE

November 1, 2005

Office of the Special Trustee for American Indians

Conclusion

Implementation of the FTM continues on a track to be completed by the end of CY2007. Promulgating new regulations, recording backlogged information, and developing new lease forms and business processes (such as desk operating procedures) are challenging. Nevertheless, it is now possible to see, almost daily, the improvements to the management of the trust and interaction with beneficiaries. However, fractionation will be a continuing problem, requiring expenditures far beyond the revenue generated from trust assets each year. It is imperative that further legislative solutions come from Congress to solve the fractionation problem.

Assurance Statement

The comments and observations are provided by the Special Trustee for American Indians and reflect the opinion of the Special Trustee only.

Date: October 20, 2005

Name: *Signature on File*
Ross O. Swimmer
Special Trustee for American Indians

A. TRUST REVIEW AND AUDIT

Introduction

OTRA reports directly to the Special Trustee for American Indians. OTRA was created by OST as a response to trust initiatives developed during the tribal consultation process of 2002. OTRA conducts performance audits, examinations and reviews of Interior entities as well as Tribes that manage fiduciary trust activities. Examinations are routinely conducted at locations that perform trust operations, and are planned to result in a performance rating.

Current Status

Indian Trust Examinations

During this reporting period, OTRA performed 22 trust reviews. Twenty-four draft reports were issued for comment and seven final reports were issued.

OTRA completed 11 trust record assessments and issued 22 final reports during this reporting period.

Annual Interior Indian Trust Funds Financial Statement Audit

The Indian trust funds financial statement audit, required by the American Indian Trust Fund Management Reform Act of 1994, is conducted by an independent auditor under OIG management. The independent auditor continued work on the FY2005 audit during this reporting period and is expected to complete work during the first quarter of FY2006.

OTRA completed the contracting process for the FY2006 Indian trust funds financial statement audit. The independent auditors will begin work early in CY2006.

Compliance Reviews

Compliance reviews are generated by information received from beneficiaries, employees and the public. The reviews usually concern the adequacy or status of fiduciary activities of Interior. During this reporting period, eight cases were in inventory. Two cases were added to the inventory and two cases were closed. Field work or report drafting continued on the remaining eight.

Delays and Obstacles

Lack of Internet access impedes OTRA's work processes and its ability to communicate effectively, both internally and externally.

Assurance Statement

I concur with the content of the information contained in the Trust Review and Audit section of the *Status Report to the Court Number Twenty-Three*. The information provided in this section is accurate to the best of my knowledge.

Date: October 21, 2005

Name: *Signature on File*

D. Jeff Lords

Acting Director, Office of Trust Review and Audit

Office of the Special Trustee for American Indians

B. OST-OFFICE OF THE CHIEF INFORMATION OFFICER

1. RECORDS MANAGEMENT

Introduction

The Office of Trust Records was established in 1999 to develop and implement a program for the economical and efficient management of trust records, consistent with the 1994 Act, the Federal Records Act and other statutes and implementing regulations. The OTR records management program has been developed and implemented, and continues to evolve, to ensure that necessary Indian records are maintained, records retention schedules are consistent with retention needs, and records are safeguarded throughout their life-cycles.

As reported in the *Status Report to the Court Number Eleven*, the line authority for supervision and management of OTR was vested in the Assistant Deputy Secretary by the Deputy Secretary by memorandum dated September 5, 2002. On September 30, 2005, the memorandum was rescinded by the Associate Deputy Secretary. Accordingly, effective October 1, 2005, OTR reports to the Chief Information Officer, OST, in accordance with the pertinent provision of the Departmental Manual.

Accomplishments and Completions

American Indian Records Repository

Approximately 122,420 indexed boxes are located in the AIRR as of the end of this reporting period. As previously reported, OTR has historically reported the number of boxes transferred to AIRR for storage. However, NARA uses cubic feet as the measure for records stored. Thus far, NARA reports that they are currently storing 128,790 cubic feet of indexed inactive records at AIRR. Some boxes are larger than one cubic foot (e.g., map boxes).

Records Indexing Project

Indexing of approximately 124,325 boxes has been completed as of the end of this reporting period. The number of completed boxes (indexed and quality reviewed) differs from the number of boxes stored at AIRR because not all completed boxes were sent to AIRR from the Annex before the end of the reporting period.

Approximately 6,745 boxes of inactive records were moved from BIA/OST field locations to the Lenexa Annex for indexing during this reporting period. Once indexed, these boxes will be stored in the AIRR.

As previously reported, the electronic BISS was classified as a Privacy Act system of records by Interior. The Privacy Act notice for this system was published in the Federal Register on

STATUS REPORT TO THE COURT NUMBER TWENTY-THREE

November 1, 2005

Records Management

July 29, 2005. The notice provided that the classification would be effective as proposed, unless comments requiring a contrary determination were received within the 40-day comment period. No comments were received by the end of the 40-day comment period.

Training

OTR provided records management training for 261 BIA and OST identified records contacts and 13 tribal employees during this reporting period.

Equipment Purchases

91 pieces of fireproof filing equipment were delivered to BIA and OST offices during this reporting period. Additional requests will be responded to as received.

Current Status

Safeguarding Records

As reported, 283 boxes of inactive records that were or may have been damaged or contaminated by mold, mildew, mouse droppings or other adverse elements were shipped to NARA for remediation in the previous reporting period. All boxes have been reviewed and cleaned. There are approximately 30 boxes which NARA has determined require further care. These records were previously exposed to fire and water. It is anticipated that these records will receive further attention in the next reporting period.

Record Keeping Requirements

The "Final Decision Regarding Self-Determination and Self-Governance Funding Agreement Language on Fiduciary Trust Records Management" was published in the Federal Register on August 29, 2005. The Final Decision states that "the Department decided not to institute the proposed policy on fiduciary trust records management for Title I and Title IV Tribes/Consortia; rather, the Department will negotiate with each Tribe/Consortium a specific section in the funding agreement that addresses the Tribe's/Consortium's and the Secretary's respective responsibilities regarding the management of fiduciary trust records." The notice did provide specific language for fiduciary trust records management which was to be negotiated into the agreements for FY2006.

National Archives Records

As reported in the OTR Activity Report for August 2005 (filed on September 19, 2005), OTR received a copy of a letter dated September 13, 2005, from NARA to the Assistant Deputy Secretary of the Interior regarding an incident involving records at the Main Archives in Washington, DC. OTR also received a copy from the Assistant Deputy Secretary of a letter dated September 28, 2005, from NARA to Dennis Gingold, Esq.

Records Retention Schedules

OTR has not yet received approval from the Archivist of the United States of the following electronic systems records schedules that were submitted in the previous reporting period: Anadarko REM, InfoDat and CFI. OTR is working with BIA to provide NARA with additional technical analysis related to the GIS schedule. The BISS records schedule was submitted to NARA during the previous reporting period and was inadvertently not included in the previous report. NARA requested that certain changes be made to the BISS records schedule and it was resubmitted on September 29, 2005 after the changes were made.

The following five BIA electronic systems records schedules were submitted to NARA for appraisal and approval on September 29, 2005: MADS, Keyfile System, GLADS, Alaska Title Plant Database, and Land Title Mapper.

Records Evaluation

As previously reported, 31 boxes set aside for evaluation remain at OTR in Albuquerque pursuant to a litigation hold. There has been no change during this reporting period.

Delays and Obstacles

Lack of Internet access continues to hinder OTR's ability to provide remote access to the record index database for authorized users of the records. If Internet access were available, authorized researchers could conduct their searches from their respective work sites and only visit AIRR when necessary to inspect specific boxes.

Assurance Statement

I concur with the content of the information contained in the Records Management section of the *Status Report to the Court Number Twenty-Three*. The information provided in this section is accurate to the best of my knowledge.

Date: October 17, 2005

Name: *Signature on File*

Ethel J. Abeita

Director, Office of Trust Records

Office of the Special Trustee for American Indians

C. TRUST ACCOUNTABILITY

1. TRUST BUSINESS PROCESS MODELING

Introduction

Interior is working to build a highly effective fiduciary trust services organization by implementing the business objectives contained in the CTM. Those business objectives are being used to guide implementation of the FTM. Implementation of the FTM is a collaborative effort of BIA, OST, BLM, MMS and OHA, and is integrated with Interior's other trust reform initiatives. The FTM is being implemented to transform the current trust business processes into more efficient, consistent, integrated and fiscally responsible business processes that meet the needs and priorities of the beneficiaries.

Current Status

FTM - General

Work is continuing toward implementation of the FTM at the pilot agencies now that the conversion of software systems is complete. The availability of the new data systems supports streamlining of business processes, such as leasing, collections, title, probates, and expanded beneficiary services.

As previously reported, an FTM training task deliverable is being developed. During this reporting period, an additional site visit was performed to obtain input regarding training preferences and methodologies.

Reengineering staff continued to participate in the Regulatory Initiative effort during this reporting period. Preliminary language supporting the initiative has been prepared and is being circulated within the work groups to solicit comments and identify cross-cutting issues.

During this reporting period, draft handbooks for LTRO, probate, rights-of-way, and leasing and permitting were submitted for review to BIA.

Universal Support Function

A process to automate processing of CSS work tickets was presented to senior management. Site visits to the pilot agencies to assess opportunities for improving financial transaction work flow are expected to occur during the next reporting period. The process will then be revised, as needed, to reflect how business will be conducted in the future.

STATUS REPORT TO THE COURT NUMBER TWENTY-THREE

November 1, 2005

Trust Business Process Modeling

Delays and Obstacles

Lack of Internet access impedes communication with other trust bureaus and offices, and hinders the expansion of reengineered processes that utilize the Internet. This exacerbates the sheer complexity of reengineering the existing trust business processes.

Assurance Statement

I concur with the content of the information contained in the Trust Business Process Modeling section of the *Status Report to the Court Number Twenty-Three*. The information provided in this section is accurate to the best of my knowledge.

Date: October 27, 2005

Name: *Signature on File*

John Bennett

Acting Deputy Special Trustee, Trust Accountability

Office of the Special Trustee for American Indians

2. TRUST DATA QUALITY AND INTEGRITY

Introduction

The success of trust reform depends, in part, on the accuracy of data generated from the maintenance of trust assets, ownership of trust assets, distribution of trust income, and management of trust accounts. The DQ&I project focuses on three primary initiatives: (1) assisting BIA with document encoding into the trust systems, (2) validating/correcting CDE to their respective source documents and (3) implementing Post-QA processes.

Accomplishments and Completions

During this reporting period, TPMC's contractors:

- Scanned trust conveyance documents necessary to perform CDE validation/correction for the Standing Rock Agency.
- Assisted PRO-LTRO with land title system conversion cleanup. 172 trust patent documents were updated during the quarter, completing all of 272.
- Scanned trust encumbrance files at the Horton, Shawnee and Pawnee Agencies necessary to perform CDE validation/correction, TAAMS lease encoding and performance bond inventory tasks.
- Scanned trust right-of-way files at the SPRO-LTRO that are necessary to perform CDE validation/correction and TAAMS lease encoding for the Horton, Shawnee and Pawnee Agencies.
- Performed Post-QA on correcting entries for the remaining 12 Concho and 42 Anadarko CDE title variances outstanding from the CDE validation/correction task.

Current Status

The DQ&I project continued for: (1) SPRO-LTRO, (2) GPRO-LTRO, (3) Pima Agency and (4) PRO-LTRO.

During this reporting period, TPMC:

- Assisted Concho Agency to reduce RDRS data entry backlogs by encoding 16 probate orders, 2 oil and gas leases, and 23 landowner ID changes.

STATUS REPORT TO THE COURT NUMBER TWENTY-THREE

November 1, 2005

Trust Data Quality and Integrity

- Initiated the CDE validation/correction task for Shawnee Agency.
- Analyzed variances in tract ownership between the land title system and legacy realty system. Provided results and recommendations for 166 of 261 Concho and 323 of 342 Anadarko tracts.
- Researched and updated landowner ID numbers in the land title system at the PRO-LTRO. 194 BIA-certified ID numbers were completed during the quarter, for a cumulative total of 209 of a second phase total of 1,043 BIA-certified ID numbers.
- Performed global ID changes in the SPRO land title system. Scanned owner ID documentation for 404 individual owners, completed research for 207 owners and performed encoding for 123 owners.
- Verified beneficiary ID numbers to support SPRO-LTRO encoding of backlogged probates and modifications for Shawnee, Pawnee and Horton Agencies. Researched ID numbers associated with 89 probates and performed initial encoding in the land title system.

Delays and Obstacles

- Securing timely BIA trust system logon IDs.
- Lack of access to the Internet has resulted in: (1) communication delays; (2) adverse project coordination issues; (3) increased administrative program costs; and (4) the overall DQ&I project being unable to take full advantage of available information technology.

Assurance Statement

I concur with the content of the information contained in the Trust Data Quality and Integrity section of the *Status Report to the Court Number Twenty-Three*. The information provided in this section is accurate to the best of my knowledge.

Date: October 28, 2005

Name: *Signature on File*

John E. White

Trust Reform Officer

Office of the Special Trustee for American Indians

3. INDIAN FIDUCIARY TRUST TRAINING PROGRAM

Introduction

Interior has a continuing responsibility to provide adequate staffing, supervision and training for trust fund management and accounting activities. Fiduciary trust training is essential to the success of Interior's trust reform efforts and forms an integral part of all training for Interior employees who are involved in the management of Indian trust assets.

Accomplishments and Completions

OST offered one session of the course, *Fiduciary Overview Program*, presented by Cannon Financial Institute, with 14 OST, BIA and tribal personnel attending during this reporting period. A total of 684 people have attended this course since March 2003. This course compares and contrasts the federal Indian trust administered through Interior with private sector trusts administered through banks and other financial institutions.

During this reporting period, Cannon Financial Institute personnel also presented the *Risk Management, Guardianship, Fiduciary Behavior* and *Asset Management* specialty courses to 145 OST, BIA and tribal personnel. These four courses are part of the previously reported certification program. Additional sessions of *Risk Management, Wills & Probate, Accounting and Asset Management* are expected to be presented during the next reporting period.

During this reporting period, OST training staff conducted 4 sessions to provide training in TFAS, CSS, StrataVision and the historical query database to 41 OST, BIA and contractor staff.

OST and BIA staff presented the three-day course, *Trust Fundamentals*, to 30 OST, BIA and tribal staff. This course includes such topics as the history and policy of Indian trust, current trust reform activities, job roles and responsibilities, and organization and working relationships. This course is expected to be presented again during the next reporting period.

During this reporting period, OST training staff conducted 9 sessions to provide Lockbox process training to 250 OST, BIA and contractor staff.

Current Status

Construction continues on the NIPTC in Albuquerque and is expected to be completed by the end of CY2005. The first NIPTC governance board meeting was held this reporting period. The governance board consists of employees from OST, BIA, MMS, BLM, the U.S. Fish and Wildlife Service National Conservation Training Center and DOI University. At this meeting, the board discussed its roles, responsibilities and objectives. It plans to meet on a quarterly basis.

STATUS REPORT TO THE COURT NUMBER TWENTY-THREE

November 1, 2005

Indian Fiduciary Trust Training Program

Delays and Obstacles

The lack of Internet access inhibits electronic communication with other governmental agencies and contractors, hinders the research of training tools and potential contractors, and restricts OST's ability to access online training programs.

Assurance Statement

I concur with the content of the information contained in the Indian Fiduciary Trust Training Program section of the *Status Report to the Court Number Twenty-Three*. The information provided in this section is accurate to the best of my knowledge.

Date: October 20, 2005

Name: *Signature on File*

Dianne M. Moran

Director, Trust Training

Office of the Special Trustee for American Indians

4. RISK MANAGEMENT

Introduction

The objectives of the risk management initiative are to design, deliver, and implement a comprehensive risk management program that includes extensive management controls for monitoring and evaluating Interior's Indian trust asset management program. The risk management program continues to be implemented by TPMC. OTRA monitors and evaluates management corrective action plans to mitigate control deficiencies.

Accomplishments and Completions

During this reporting period:

- Training was provided to staff with responsibilities for conducting risk self-assessments at OST, MMS and the BIA pilot agencies.
- OST (with the exception of the Trust Beneficiary Call Center) completed risk self-assessments utilizing RM-PLUS.
- The new BIA processes were incorporated into the RM-PLUS tool and both Concho and Anadarko agencies completed their risk self-assessments utilizing RM-PLUS.
- MMS completed manual risk self-assessment.

Current Status

OST continues to work with OSM and BLM on the use of the RM-PLUS tool.

Delays and Obstacles

The lack of Internet access complicates the implementation and use of RM-PLUS, since it is designed as a web-based application.

Assurance Statement

I concur with the content of the information contained in the Risk Management section of the *Status Report to the Court Number Twenty-Three*. The information provided in this section is accurate to the best of my knowledge.

Date: October 27, 2005

Name: *Signature on File*

John Bennett

Acting Deputy Special Trustee, Trust Accountability

Office of the Special Trustee for American Indians

5. REGULATIONS, POLICIES AND PROCEDURES

Introduction

OTP in OST was established on April 21, 2003, to assist Interior in establishing “consistent, written policies and procedures for trust fund management and accounting” as stated in the 1994 Act. OTP oversees and facilitates the development, promulgation and coordination of trust-related regulations, policies, procedures and other materials to guide the proper discharge of Interior’s fiduciary responsibilities. OTP is separate from BIA’s PPA, which is responsible for policies, procedures and regulations affecting all BIA activities. PPA activities thus are reported in the BIA section of the reports to the Court.

Accomplishments and Completions

25 CFR 124 – Deposits of Proceeds of Lands Withdrawn for Native Selection under the Alaska Native Claims Settlement Act. The final rule was published in the Federal Register early in this reporting period.

The Disbursing DOP was completed and issued.

Current Status

OTP continues to develop the draft OST Directives System Handbook. Publication of the handbook now is expected by the end of the second quarter of FY2006.

Work continues on the Reporting and Reconciliation DOP. Completion and issuance now is expected during the next reporting period. Work, including a site visit to the Osage Nation, continued on an Osage DOP for account maintenance and disbursement because of statutes and regulations unique to the Osage Tribe. Completion is expected by the end of CY2005.

25 CFR 1200 – American Indian Trust Fund Management Reform Act. Technical amendments to this rule have been prepared and are awaiting final internal approval. Publication is expected by the end of CY2005.

Delays and Obstacles

Lack of access to the Internet and its repository of online statutes, the Federal Register and other resources continues to present challenges to this office.

STATUS REPORT TO THE COURT NUMBER TWENTY-THREE

November 1, 2005

Regulations, Policies and Procedures

Assurance Statement

I concur with the content of the information contained in the Office of Trust Regulations, Policies and Procedures section of the *Status Report to the Court Number Twenty-Three*. The information provided in this section is accurate to the best of my knowledge.

Date: October 19, 2005

Name: *Signature on File*

Philip Viles, Director

Office of Trust Regulations, Policies and Procedures

Office of the Special Trustee for American Indians

D. FIELD OPERATIONS

1. APPRAISAL

Introduction

The Office of Appraisal Services, under a management contract with NBC-ASD, is responsible for Indian land valuations. The contract was established to provide impartial estimates of market value for a variety of real property interests on land owned in trust or restricted status by individual Indians, Alaska Natives, and Indian Tribes. Various regulations governing Indian trust lands require valuations. To meet this requirement, an appraisal or other valuation method is used to determine fair market value of Indian lands.

Accomplishments and Completions

The position of Regional Supervisory Appraiser for the Eastern Region was filled during this reporting period. OAS filled three permanent review appraiser positions in the Great Plains and Northwest Regions. Selection is pending for a permanent review appraiser position in the Rocky Mountain Region.

The Chief Appraiser has received approval to proceed with the creation of the Office of Minerals Evaluation within ASD (previously reported as the Indian Minerals Valuation Unit). OME will establish the line of authority for mineral appraisals and will perform mineral evaluation services for clients in support of ILCA.

A national appraisal conference for all OAS appraisers and staff was held in August 2005. This conference included continuing appraisal education concerning the Uniform Appraisal Standards for Federal Land Acquisitions as well as presentations concerning valuations of rights-of-way, minerals evaluations and records management.

Current Status

The Deputy Chief Appraiser position was re-advertised during this reporting period and a selection is expected during the next reporting period.

ASD, in coordination with OST, continues to conduct a comprehensive analysis of OAS staff and training requirements. Temporary review appraiser positions are being added in the Alaska, Rocky Mountain and Western Regions, to help reduce the backlog in those areas. In addition, budgetary and workload analysis is being conducted to determine the appropriate number of permanent review appraisers.

An updated department-wide appraisal handbook, which incorporates the OAS handbook section, was completed in draft form and is now being circulated for comment within Interior.

STATUS REPORT TO THE COURT NUMBER TWENTY-THREE

November 1, 2005

Appraisal

Work continued on the cooperative effort between OAS and NBC to establish regional contracts with independent contractors to perform appraisals and alleviate backlogs. Efforts continue to streamline the requisition and outsourcing process. The scope of work for the previously-reported blanket purchase order for the Northwest Region was completed, and is being expanded into a multi-region approach.

Appraisal Backlog

As of this reporting period, the appraisal backlogs are as follows:

	Appraisal Backlog As of 6/30/05	Appraisal Backlog * As of 9/30/05
Northwest	402	470
Rocky Mountain	592	811
Midwest	38	43
Western	42	37
Southwest	27	13
Eastern Oklahoma	51	68
Navajo	21	15
Pacific	2	0
Alaska	293	325
Eastern	0	0
Southern Plains	11	4
Great Plains	10	10
TOTAL	1,489	1,796

* The backlog includes all appraisal requests from BIA whether or not they are required for a proposed transaction. The requests are addressed in priority order based on factors such as court-ordered transactions, economic transactions, and rights-of-way transactions. The remaining requests for which no transaction is pending may appear on the backlog list until appraisal staff has completed priority assignments.

This table does not include appraisal backlog information from the compacted and contracted Tribes. The MOUs that are currently being negotiated with Tribes require quarterly reporting of backlog information. This information is expected to be incorporated into future reports to the Court.

Delays and Obstacles

The inability to utilize the Internet as a tool to communicate with outside contacts to research comparable sales and other information is a continuing hardship.

Difficulties continue in recruiting qualified appraisers for permanent, temporary and contract positions, particularly in remote locations.

Assurance Statement

I concur with the content of the information contained in the Appraisal section of the *Status Report to the Court Number Twenty-Three*. The information provided in this section is accurate to the best of my knowledge.

Date: October 20, 2005

Name: *Signature on File*
Brian M. Holly, MAI
Appraisal Services Directorate
National Business Center

E. TRUST SERVICES

1. CURRENT ACCOUNTING ACTIVITIES

Introduction

Current accounting activities focus on: a) whereabouts unknown accounts; b) trust funds accounting system; c) special deposit accounts; d) small balance accounts; and e) accounting discrepancies.

WAU are classified as such for various reasons, including (a) new accounts established without an address, (b) mail returned for invalid address and (c) account holder refused or did not claim mail. A variety of methods and means are used to locate WAU account holders.

TFAS is a generic term for a COTS trust fund accounting system that provides the basic receipt, accounting, investment, disbursing and reporting functions common to commercial trust funds management operations.

SDA are temporary accounts for the deposit of trust funds that cannot immediately be credited to the proper account holders. As explained in the BIA/OST Interagency Procedures Handbook, this type of account is to be used only as an exception to the rule that trust funds immediately be deposited to the credit of, and then distributed as soon as practicable to, the individual and tribal beneficiaries. The SDA project has two sub-projects: the retrospective (pre-January 1, 2003 receipts) and the prospective (post-December 31, 2002 receipts) phases. OHTA has responsibility for "resolution" (i.e., research and distribution of funds) of the retrospective phase, while BIA has comparable responsibility for the prospective phase. This section of the report to the Court thus addresses only the prospective phase.

Small balance accounts are defined as those with balances of \$.01 - \$1.00 and no activity in the preceding eighteen months. Management expenses for these accounts are considerable, in part because (as directed by Congress) annual statements must be sent to these account holders.

Various accounting discrepancies that existed prior to the conversion to TFAS still need research and resolution. Some may impact individual accounts. At present, OST has a daily and monthly reconciliation process in place to ensure that transactional reporting to Treasury is accurate and that any discrepancies are researched and reconciled during the next accounting period. While this process ensures resolution of current discrepancies in timely fashion, separate research and reconciliation efforts are needed to address the pre-TFAS discrepancies.

STATUS REPORT TO THE COURT NUMBER TWENTY-THREE

November 1, 2005

Current Accounting Activities

a. Whereabouts Unknown Accounts

Accomplishments and Completions

During this reporting period, TPMC staff conducted one WAU beneficiary outreach at the Daybreak Pow Wow in Seattle, WA. As a result of this outreach effort, TPMC received current addresses for 36 WAU account holders.

OST hired a contractor during the last reporting period to focus on securing current addresses for, or determining the status of, WAU accounts with the large account balances.

Current Status

Priority continues to be placed on securing current addresses for account holders of the rolling top 100 highest dollar balance WAU accounts. During this reporting period, 16 of the top 100 WAU accounts, with combined account balances in excess of \$1.5 million, were updated with current addresses.

During this reporting period, 2,040 accounts with a combined balance of \$1 million were added to the WAU list, and 4,601 account holders with a combined balance of \$6 million were located. As of September 30, 2005, there were 46,630 WAU accounts with a combined balance of \$65,247,914. The following table illustrates the number of accounts stratified by account balance and WAU category:

Account balance	Correspondence/ Check Returned	Account Setup No Address	Awaiting Address Confirmation	Refused/ Unclaimed Mail	Total
Equal to or over \$100,000	18	9	0	0	27
Under \$100,000 and equal to or over \$50,000	34	13	0	0	47
Under \$50,000 and equal to or over \$5,000	2,072	805	0	1	2,878
Under \$5,000 and equal to or over \$1,000	6,568	1,579	2	8	8,157
Under \$1,000 and equal to or over \$100	8,222	3,279	3	2	11,506
Under \$100 and equal to or over \$1	11,842	4,767	9	5	16,623
Under \$1	3,373	4,005	10	4	7,392
Total	32,129	14,457	24	20	46,630

Delays and Obstacles

The influx of WAU accounts categorized as “Account Setup No Address” causes the total number of WAU accounts to remain relatively constant. These accounts primarily result from a

STATUS REPORT TO THE COURT NUMBER TWENTY-THREE

November 1, 2005

Current Accounting Activities

lack of current addresses for individual heirs named in probate orders or recipients of per capita distributions. Also, accounts are being created in TFAS for non-financial asset owners in order to generate asset statements. Many of these owners do not have current addresses. As a result, the total number of WAUs is expected to increase significantly.

There presently are 17,836 supervised IIM account holders (minors, emancipated minors, adults in need of assistance, and non-compos mentis) coded as WAU. Updating supervised account addresses coded as WAU presents a challenge, since BIA Social Services must verify and update the address changes to these accounts.

The lack of Internet access limits communication effectiveness. OST and its contractor must rely primarily on mail and telephone communication with IIM account holders.

b. Trust Funds Accounting System

Accomplishments and Completions

On June 30, 2005, a conversion of the real property asset information for the Concho and Anadarko pilot agencies was completed. During this reporting period, asset statements for those individuals who have real property held in trust at Concho and Anadarko were produced and mailed in conjunction with the quarterly IIM account statements to the accountholders who have a valid address on TFAS.

Current Status

Testing commenced using TFAS to do the real property income allocation based upon the beneficial title interest recorded in TAAMS. It is anticipated that this process will be put into production during the next reporting period.

c. Special Deposit Account Activity

Current Status

BIA has the responsibility for distribution of SDA funds received since January 1, 2003 (prospective receipts). It is the policy of BIA to distribute funds within 30 days of receipt into SDA. During this reporting period, there were 4,587 receipt transactions posted to SDA. Of these, 177 were undistributed and aged more than 30 days as of September 30, 2005.

During this reporting period, aged funds were held in 278 fewer SDA than in the previous reporting period. Undistributed aged receipts decreased by 3,011 and the combined dollar amount decreased by \$1,589,630.45. As of September 30, 2005, funds were held in SDA with a combined dollar amount of \$1,542,462.69, which represented 1,398 undistributed receipts aged over 30 days from January 1, 2003, through September 30, 2005. As of September 30, 2005, there were 556 receipts in 170 SDA aged more than one year for a combined dollar amount of \$586,362.89.

STATUS REPORT TO THE COURT NUMBER TWENTY-THREE

November 1, 2005

Current Accounting Activities

During this reporting period, OST concentrated on assisting BIA staff in performing work necessary to distribute aged receipts (over 30 days) at the Fort Belknap, Pima, Yakama, Fort Hall and Eastern Navajo agencies. OST staff and contractors spent a combined eight weeks at these agencies. Through these efforts, in coordination with the efforts of BIA, aged receipts totaling \$622,000 were distributed from SDA during the reporting period.

During this reporting period, OST contractors also continued to assist the Fort Belknap Agency to reduce its backlogs by encoding probate orders into BIA's IRMS. Reducing backlogs assists agencies with their SDA distribution efforts.

Delays and Obstacles

Some BIA agencies still are not utilizing StrataVision to obtain current aging reports to assist in the monitoring and management of their SDA receipt activity. OST continues to make training available to encourage the use of StrataVision.

d. Small Balance Accounts

As of September 30, 2005, there were 14,995 accounts that have a \$.01 - \$1.00 balance with no activity for the previous 18 months. The total sum included in those accounts is \$2,043.58. Statements are sent to account holders for these accounts on an annual basis pursuant to direction from Congress.

e. Accounting Discrepancies

Interior has submitted an OMB approved legislative proposal to resolve the difference between the subsidiary account ledger (liabilities) and the IIM investment pool (assets), of approximately \$6 million. However, the proposal has not been acted upon by Congress.

STATUS REPORT TO THE COURT NUMBER TWENTY-THREE

November 1, 2005

Current Accounting Activities

Assurance Statements

I concur with the content of the information contained in the Accounting Discrepancies subsection of the Current Accounting Activities section of the *Status Report to the Court Number Twenty-Three*. The information provided in this subsection is accurate to the best of my knowledge.

Date: October 27, 2005

Name: *Signature on File*

Margaret Williams

Deputy Special Trustee, Trust Services

Office of the Special Trustee for American Indians

I express no opinion on the content of the Accounting Discrepancies subsection, above. I concur with the content of the information contained in the balance of the Current Accounting Activities section of the *Status Report to the Court Number Twenty-Three*, and this information is accurate to the best of my knowledge.

Date: October 27, 2005

Name: *Signature on File*

John Bennett

Acting Deputy Special Trustee, Trust Accountability

Office of the Special Trustee for American Indians

IV. BUREAU OF INDIAN AFFAIRS

A. TRUST REGULATIONS, POLICIES AND PROCEDURES

Introduction

The Office of Planning and Policy Analysis (PPA) in the Office of the Assistant Secretary – Indian Affairs was established on April 21, 2003. PPA is responsible for developing and promulgating Indian Affairs directives. PPA is separate from OST's Office of Trust Regulations, Policies and Procedures, whose activities are reported in the OST section of the status reports to the Court.

Accomplishments and Completions

Indian Forest Management Handbook, Volume 4 (Permit Sales of Forest Products) – The handbook supporting 53 IAM was published during the reporting period and is referenced at 53 IAM 4-H, Permit Sales of Forest Products.

Current Status

The following previously-reported regulations are included in the Regulatory Initiative:

- **25 CFR 151 – Land Acquisitions** – The proposed revisions are expected to be published during CY2006.
- **25 CFR 162 – Leases and Permits, Subparts B, G, and H** – The proposed revision of Subpart B and addition of Subparts G and H are expected to be published during CY2006.
- **25 CFR 166 – Grazing Permits** – The proposed revisions are expected to be published during CY2006.
- **25 CFR 216 – Surface Exploration, Mining, and Reclamation of Lands** – A draft of the proposed revisions is expected during CY2006.

25 CFR 161 – Navajo Partitioned Lands Grazing Permits – The final rule was published in the Federal Register on October 7, 2005. This rule is effective January 5, 2006.

25 CFR 162 – Leases and Permits, Subparts C and D – Residential Leases and Business Leases – The final rule is expected to be published during the first quarter of CY2006.

25 CFR 169 – Rights-of-Way Over Indian Lands – The handbook is expected to be published by the end of CY2005.

STATUS REPORT TO THE COURT NUMBER TWENTY-THREE

November 1, 2005

Trust Regulations, Policies and Procedures

25 CFR 243 – Reindeer in Alaska – The final rule is expected to be published by the end of CY2005.

35 BIAM Information Resources Management – Revisions have been incorporated into a new 60 IAM. Publication has been delayed due to internal review, which resulted in additional revisions. Assistant Secretary – Indian Affairs approval is expected by the end of CY2005. The handbook supporting 60 IAM is now expected to be published during CY2006.

Delays and Obstacles

Lack of access to the Internet has hindered PPA's ability to research statutes and departmental manuals and makes distribution of documents for review by Tribes more difficult and costly.

Assurance Statement

I concur with the content of the information contained in the Trust Regulations, Policies and Procedures – BIA section of the *Status Report to the Court Number Twenty-Three*. The information provided in this section is accurate to the best of my knowledge.

Date: October 24, 2005

Name: *Signature on File*
Bruce Blanchard
Director, Office of Planning and Policy Analysis
Bureau of Indian Affairs

B. FRACTIONATION

Introduction

Fractionation of Indian trust and restricted land stems from the federal Indian policy of the 19th Century. Fractionation occurs as land passes from one generation to the next and more and more heirs or devisees acquire an undivided interest in the land. This is a complex and potentially emotionally-charged issue, due primarily to cultural differences, historical legacy and family associations of the present owners with the original Indian owners of those lands. Efforts to address this complex issue are coordinated primarily through the BIA Indian Land Consolidation Office, which seeks to help Tribes make use of the opportunities offered by the Indian Land Consolidation Act, as amended in 2004. ILCO is operating several acquisition projects and, from there, a nationwide plan is being implemented to promote consolidation of the ownership of Indian land.

Accomplishments and Completions

- Acquired 21,403 fractional interests during this reporting period, for a cumulative total of 183,992 interests for ILCP in the Midwest, Northwest, Western, Eastern Oklahoma, Navajo, Rocky Mountain and Great Plains Regions.
- Of the total interests acquired, 87% were interests of less than 2% ownership in the respective tracts of land.
- Acquired a cumulative total equivalent of 191,603.67 acres for the project reservations.

Current Status

ILCO continued to manage active acquisition programs for 18 reservations within seven BIA regions until the end of the fiscal year. ILCO had expended all funding available to acquire fractionated interests by June 1, 2005. ILCO received \$10.22 million from OST to continue acquisition activities. Presently, all acquisition sites are wrapping up activities for FY2005 and preparing for acquisitions during the next fiscal year, subject to available funding.

Due to the volume of beneficiary requests to sell their land interests, the annual appropriations for purchases are expected to be exhausted before the end of the FY2006. If funds are exhausted, ILCO expects to seek additional funding and use its program staff to prepare for acquisitions during FY2007.

Current ILCP activities include:

- Preparing to implement ILCO's national expansion strategy in FY2006;
- Preparing to target and acquire additional *Youpee* interests in FY2006;
- Field testing of LCTS was completed on October 4, 2005. ILCO is working with AS-IA CIO to finalize acceptance and resolve any remaining developmental issues. ILCO has scheduled staff training to begin the last week of October 2005. Full implementation is expected by the

STATUS REPORT TO THE COURT NUMBER TWENTY-THREE

November 1, 2005

Fractionation

end of the first quarter of FY2006.

- Testing of the MAD/LCP has been completed for all twelve reservations in the Great Plains Region.

Delays and Obstacles

- Required support from ILCO to the GPRO and SWRO LTROs to assist with recording ILCP deeds, re-vesting *Youpee* interests, researching ownership files and recording to ownership records reduces the availability of ILCP funds for acquisitions of land interests.
- Probate backlog and *Youpee* issues continue to impede the land-purchase transaction process.
- Lack of Internet access results in slower processing of applications from potential sellers and hinders searches for WAU account holders.

Assurance Statement

I concur with the content of the information contained in the Fractionation section of the *Status Report to the Court Number Twenty-Three*. The information provided in this section is accurate to the best of my knowledge.

Date: October 17, 2005

Name: *Signature on File*
Robert R. Jaeger
Director, Indian Land Consolidation Office
Bureau of Indian Affairs

C. PROBATE

Introduction

Federal law permits Indian owners to pass title to their trust assets by testamentary devise or by intestate succession, and imposes upon Interior the duty of determining the legal heirs. In order to perform this duty, BIA, OHA and OST must coordinate their work to accomplish the probate process.

Accomplishments and Completions

Case Preparation

As of the end of this reporting period, 8,300 probate cases were in the case preparation stage.

Case Adjudication

In this reporting period, deciding officials received 1,873 cases and issued decisions in 1,573 cases.

Case Closure

At the end of this reporting period, 5,221 cases were in the closing stage. Cases in the closing stage are ones that have been adjudicated but not distributed either in TFAS or LTRO.

Financial Case Closure

In this reporting period, OST distributed funds, and closed 1,528 accounts in TFAS representing 1,496 estates. As of the end of September 2005, TFAS contained 30,236 open estate accounts, which is an increase of 93 from the 30,143 estate accounts at the end of the last reporting period.

Current Status

Probate Case Management and Tracking System

Each BIA regional office and corresponding agency continued the process of encoding new cases, examining “initial load” cases and making corrections. Data-cleanup continued for this period, with ProTrac now the source of probate data.

Probate Handbook

During this reporting period, a Regulatory Initiative working group drafted language implementing the probate provisions of AIPRA. Until this initiative is completed, publication of the probate handbook is expected to be deferred.

Delays and Obstacles

The following obstacles have been identified as having an impact on the progress of the probate program:

- Lack of access to the Internet, which includes the inability to use electronic mail communication between OHA and BIA/OST;
- Continued fractionation of ownership of Indian lands;
- Numerous initiatives competing for resources (e.g., *Youpee* revestitures, *Cobell* requirements);
- Cultural diversities regarding the subject of death;
- Completion of implementation of the probate reorganization.

Assurance Statement

I concur with the content of the information contained in the Probate section of the *Status Report to the Court Number Twenty-Three*. The information provided in this section is accurate to the best of my knowledge.

Date: October 26, 2005

Name: *Signature on File*
William Titchywy
Acting Special Projects Director
Western Region
Bureau of Indian Affairs

ACRONYMS AND ABBREVIATIONS

1994 Act (or Act)	American Indian Trust Fund Management Reform Act of 1994
A-130	Office of Management and Budget Circular A-130 Appendix III
ADM	Attorney Decision Makers
AFMSS	Automated Fluid Mineral Support System
AIPRA	American Indian Probate Reform Act
AIRR	American Indian Records Repository
ALIS	Alaska Land Information System
ALJ	Administrative Law Judges
ARO	Alaska Region office
ART	Accounting Reconciliation Tool
AS-IA	Assistant Secretary-Indian Affairs
ASD	Appraisal Services Directorate
ATO	authority to operate
BIA	Bureau of Indian Affairs
BIAM	Bureau of Indian Affairs Manual
BISS	Box Index Search System
BLM	Bureau of Land Management
BOR	Bureau of Reclamation
BPA	Blanket Purchase Agreement
BRM	Business Reference Model
C&A	Certification and Accreditation
CARS	Cadastral Automated Request System
CDE	Critical Data Elements
CFedS	Certified Federal Surveyor
CFI	Continuous Forest Inventory
CGI	Software vendor successor to TAAMS vendor
CGIS	Cadastral Geographic Information Systems
CIFTA	Certified Indian Fiduciary Trust Analyst
CIFTS	Certified Indian Fiduciary Trust Specialist
CIO	Chief Information Officer
CIRC	Computer Incidents Response Center
CISSP	Certified Information System Security Professional
CMS	Credential Management System
COTS	Commercial off-the-shelf
CPIC	Capital Planning and Investment Control
CSIRC	Computer Security Incident Response Capability
CSIRT	Computer Security Incident Response Team
CSS	Customer StrataStation
CTM	Comprehensive Trust Management Plan
DAA	Designated Approving Authority
DEAR	DOI Enterprise Architecture Repository
DDoS	Distributed Denial of Service
DLRM	DOI Land and Resource Management

STATUS REPORT TO THE COURT NUMBER TWENTY-THREE

November 1, 2005

Acronyms and Abbreviations

DM	Departmental Manual
DNS	Domain Name Server
DOI	Department of the Interior
DOP	Desk Operating Procedure
DoS	Denial of Service
DQ&I	Data Quality and Integrity
DRM	Data Reference Model
EA	Enterprise Architecture
ENA	Eastern Navajo Agency
EORO	Eastern Oklahoma Region office
ERO	Eastern Region office
ESN	Enterprise Services Network
FAMS	Facilities Asset Management System
FAR	Federal Acquisition Regulation
FIMO	Farmington Indian Minerals Office
FIPS	Federal Information Processing Standards
FISMA	Federal Information Security Management Act
FRC	Federal Records Center
FRD	Functional Requirements Document
FTM	Fiduciary Trust Model
FTO	Fiduciary Trust Officer
GAO	Government Accountability Office
GCDB	Geographic Coordinate Data Base
GIS	Geographic Information System
GLADS	Great Lakes Agency Database System
GPRO	Great Plains Region office
GPS	Global Positioning System
GSA	General Services Administration
GSS	General Support Systems
HSPD-12	Homeland Security Presidential Directive 12
IAM	Indian Affairs Manual
IATO	Interim Approval to Operate
IEA	Interior Enterprise Architecture
IFTR	Indian Fiduciary Trust Records
IG	Inspector General
IIM	Individual Indian Money
IITD	Individual Indian Trust Data
ILCA	Indian Land Consolidation Act
ILCO	Indian Land Consolidation Office
ILCP	Indian Land Consolidation Project
InfoDat	Indian Forestry Database
Interior	Department of the Interior
IP	Internet Protocol
IPJ	Indian Probate Judges
IPv6	Internet Protocol Version 6

STATUS REPORT TO THE COURT NUMBER TWENTY-THREE

November 1, 2005

Acronyms and Abbreviations

IQCS	Incidence Qualification and Certification System
IRM	Information Resources Management
IRMS	Integrated Records Management System
IRS	Internal Revenue Service
ISA	Information Security Assessment
IT	Information Technology
IV&V	independent verification and validation
LAN	Local area network
LCTS	Land Consolidation Tracking System
LR2000	Legacy Rehost 2000 System
LRIS	Land Records Information System
LTIC	Land Tenure in Indian Country
LTRO	Land Titles and Records Office
MA	Major Applications
MAD/LCP	Management Accounting Distribution/Land Consolidation Program
MADS	Management Accounting Distribution System
MMD	Missing Mandatory Documents for Unrestricted Accounts
MMS	Minerals Management Service
MOU	Memorandum or Memoranda of Understanding
MRM	Minerals Revenue Management
MRMSS	Minerals Revenue Management Support System
MWRO	Midwest Region office
NARA	National Archives and Records Administration
NBC	National Business Center
NILS	National Integrated Lands System
NIPTC	National Indian Programs Training Center
NIST	National Institute of Standards and Technology
NPS	National Park Service
NRO	Navajo Region office
NWRO	Northwest Region office
O&G	Oil and Gas
OAS	Office of Appraisal Services
OCIO	Office of the Chief Information Officer
OHA	Office of Hearings and Appeals
OHTA	Office of Historical Trust Accounting
OIG	Office of the Inspector General
OME	Office of Minerals Evaluation
OMB	Office of Management and Budget
OSM	Office of Surface Mining
OST	Office of the Special Trustee for American Indians
OTFM	Office of Trust Funds Management
OTP	Office of Trust Regulations, Policies and Procedures
OTR	Office of Trust Records
OTRA	Office of Trust Review and Audit
PAR	Performance Accountability Report

STATUS REPORT TO THE COURT NUMBER TWENTY-THREE

November 1, 2005

Acronyms and Abbreviations

PLSS	Public Land Survey System
PMSO	Project Management Support Office
POA&M	Plans of Actions and Milestones
Post-QA	Post Quality Assurance
PPA	Office of Planning and Policy Analysis
PRIS	Production and Response Information System
PRO	Pacific Region office
ProTrac	Probate Case Management and Tracking System
QA	Quality Assurance
QC	Quality Control
RAF	Recommended Action Forms
RAS	Rangeland Administration System
RDRS	Royalty Distribution and Reporting System
REM	Real Estate Module
RFP	Request for Proposal
RM-PLUS	Risk Management Assessment/Evaluation tool
RMRO	Rocky Mountain Region office
ROW	Rights-of-Way
SANS	SysAdmin, Audit, Network, Security
SCADA	Supervisory Control and Data Acquisition
SDA	Special Deposit Accounts
SDLC	System Development Life Cycle
SMEs	Subject Matter Experts
SMS	System Management Servers
SOL	Office of the Solicitor
SPRO	Southern Plains Region office
SSA	Social Security Administration
SSM	System Security Manager
SSP	System Security Plan
ST&E	Security Test and Evaluation
STIGs	Security Technical Implementation Guides
SUS	System Update Servers
SWRO	Southwest Region office
TAAMS	Trust Asset and Accounting Management System
TAP	Technical Architecture Profile
TBCC	Trust Beneficiary Call Center
TESC	Trust Executive Steering Committee
TFAS	Trust Fund Accounting System
TPMC	Trust Program Management Center
TRAC	Trust Tracking and Coordination
Treasury	Department of the Treasury
TRM	Technical Reference Model
TRO	Temporary Restraining Order
UAT	User Acceptance Testing
USGS	United States Geological Survey

STATUS REPORT TO THE COURT NUMBER TWENTY-THREE

November 1, 2005

Acronyms and Abbreviations

USPAP	Uniform Standards of Professional Appraisal Practice
VBNS	Very High Performance Backbone Network Service
VPN	Virtual Private Network
WAN	Wide area network
WAU	Whereabouts Unknown
WRO	Western Region office