

RECEIVED
U.S. DISTRICT COURT
DISTRICT OF COLUMBIA

IN THE UNITED STATES DISTRICT COURT JUN -2 PM 6:45
FOR THE DISTRICT OF COLUMBIA

NANCY M.
MAYER-WHITTINGTON
CLERK

ELOUISE PEPION COBELL, et al.,)
)
Plaintiffs,)
)
v.)
)
GALE NORTON, Secretary of the Interior, et a)
)
Defendants.)

Case No. 1:96CV01285
(Judge Lamberth)

**NOTICE OF FILING OF THE FOURTEENTH QUARTERLY REPORT
FOR THE DEPARTMENT OF THE TREASURY**

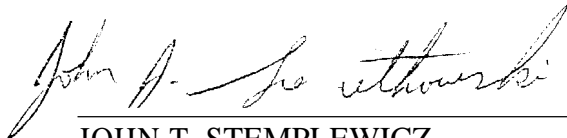
The Department of the Treasury has prepared its *Fourteenth Quarterly Report on Actions Taken By the Department of the Treasury to Retain IIM-Related Documents Necessary For an Accounting* and submits it to the Court in accordance with this Court's Order of December 21, 1999.

A copy of the report is attached hereto.

Dated: June 2, 2003

Respectfully submitted,

ROBERT D. McCALLUM, JR.
Assistant Attorney General
STUART E. SCHIFFER
Deputy Assistant Attorney General
J. CHRISTOPHER KOHN
Director
SANDRA P. SPOONER
D.C. Bar No. 261495
Deputy Director



JOHN T. STEMPLEWICZ
Senior Trial Counsel


JOHN J. SIEMIETKOWSKI
Trial Attorney
Commercial Litigation Branch
Civil Division
P.O. **Box** 875
Ben Franklin Station
Washington, D.C. 20044-0875
(202) 514-3368 (phone)
(202) 514-9163 (fax)



DEPARTMENT OF THE TREASURY
BUREAU OF THE PUBLIC DEBT
WASHINGTON, DC 20239-0001

June 2, 2003

MEMORANDUM FOR: ROBERT D. McCALLUM, JR.
ASSISTANT ATTORNEY GENERAL
U.S. DEPARTMENT OF JUSTICE
CIVIL DIVISION

FROM: BRIAN L. FERRELL 
CHIEF COUNSEL
BUREAU OF THE PUBLIC DEBT
DEPARTMENT OF THE TREASURY

SUBJECT: FOURTEENTH QUARTERLY REPORT
COBELL, ET AL. v. NORTON, ET AL.

Included with this cover memorandum is the "Fourteenth Quarterly Report on Actions Taken by the Department of the Treasury to Retain IIM-Related Documents Necessary for an Accounting" (the "Report"). The Report has been prepared by the Department of the Treasury pursuant to the Court Order and Opinion in *Cobell, et al. v. Babbitt, et al.* (D.D.C. CV No. 96-1285), filed December 21, 1999.

The Report includes information concerning the Financial Management Service, ("FMS"), Bureau of the Public Debt ("BPD") and certain Departmental Offices ("DO"). The Report **was** prepared based on information provided by a number of program offices from the above-described organizations. The preparation of the Report included circulation of drafts of the Report to program offices that are responsible for the actions described in the Report. Comments were received from those offices and incorporated in the Report.

Prior to submitting the Report to the Department of Justice, senior officials of FMS, BPD and DO reviewed a final draft of the Report.

The Department of the Treasury stands ready, in accordance with the Court's order, to respond to any questions or concerns the Court may have after reviewing the Report and attachments thereto.

**FOURTEENTH QUARTERLY REPORT ON ACTIONS TAKEN
BY THE DEPARTMENT OF THE TREASURY TO RETAIN
IIM-RELATED DOCUMENTS NECESSARY FOR AN ACCOUNTING**

Cobell, et al. v. Norton, et al.

D.D.C. CV No. 96-1285

June 2, 2003

I. INTRODUCTION

This is the Department of the Treasury's ("Treasury") Fourteenth Quarterly Report, filed pursuant to the Court's December 21, 1999 Order ("Order") in the above-captioned case. It covers activities occurring over a three-month period from March 1, 2003 through May 31, 2003. The Order states that "[e]ach quarterly report shall be limited, to the extent practical, to actions taken since the issuance of the preceding quarterly report." Cobell, et al. v. Babbitt, et al., 91 F. Supp. 2d 1, 59 (D.D.C. 1999).

During the trial in 1999 on issues related to the operation of the system for handling IIM assets, Treasury agreed to a series of eight stipulations designed to address matters involving IIM under Treasury's control. In its *Memorandum and Opinion: Findings of Fact and Conclusions of Law* ("Opinion"), also issued on December 21, 1999 [91 F. Supp. 2d 1 (D.D.C. 1999)], the Court held that Treasury committed a single breach of its trust responsibilities by destroying IIM trust materials "after their age exceeded six years and seven months, without regard to the fact that the United States (through its trustee-delegates) has not rendered an accounting of plaintiffs' IIM trust money." *Id.* at 50. The Court further stated in its Opinion: "It may very well be that the agreement reached in that instance [Stipulation paragraphs 4, 5 and 6, addressing record retention] would satisfactorily discharge Treasury's duty to retain these [IIM-related trust] documents beyond this litigation." *Id.* at 51. The Court held that Treasury's stipulations mooted the plaintiffs' concerns regarding non-segregability of IIM trust checks by payee name and the "front-end float" (Stipulation paragraphs 1, 2, 3, and 7). *Id.* at 34-35. Stipulation 8 addressed "back-end float."

In previous Quarterly Reports, Treasury reported on steps it had taken to address the single breach the Court had found with respect to Treasury and to report Treasury's progress on all of the Stipulations. Treasury restated in its Ninth Quarterly Report how and when Stipulations 1, 2, 3, 4, 5, 7 and 8 were completed. Pending approval of Treasury's proposed revised retention schedules (which Treasury submitted to the National Archives and Records Administration at the end of September 2000) and Treasury's proposed new retention order and proposed amendment of Stipulation 6 (which Treasury filed July 9, 2001), Treasury continues to take steps to ensure, on an ongoing basis, that records are retained as required by the Court's August 12, 1999 retention order and in fulfillment of Stipulation 6. In light of these actions, Treasury filed a motion with the Court on January 26, 2001 seeking a determination that the Secretary of the Treasury had rectified the single breach of his trust responsibilities found by the Court and seeking to be released from the quarterly reporting obligation. On September 28, 2001, the Court denied the motion, without opinion. Accordingly, this Fourteenth Quarterly Report sets forth the status of Stipulation 6 dealing with record retention.

The full text of Treasury's Stipulation is set forth as Attachment A.

11. STIPULATION 6 (RECORD RETENTION)

Stipulation 6 provides:

6. Until the new retention schedules are in effect, Treasury will preserve:
 - a. original checks, and digitized and microfilm copies of negotiated checks;
 - b. check information from these same checks in electronic form (i.e., check serial number, date and amount);
 - c. monthly reports of canceled checks (either in electronic form or hard copy as retained in the normal course of business); and,
 - d. IIM deposit fund investment records (either in electronic form or hard copy as retained in the normal course of business), specifically requests for investment/redemption, transaction confirmations, and monthly account statements.

As previously reported in Treasury's Thirteenth Quarterly Report filed February 28, 2003, on February 20, 2003 the National Archives and Records Administration (NARA) transmitted its response with respect to the proposed revised retention schedules that Treasury submitted to NARA at the end of September 2000, in fulfillment of Stipulation 5.¹ NARA's response was that NARA will hold those schedules in abeyance "pending further developments in the *Cobell* case," although NARA appraisers concur with the dispositions stated in the schedules. Regardless of any future action NARA may take, Treasury's retention schedules will remain subject to the Court's August 12, 1999 Order Regarding Treasury Department IIM Records Retention ("August 12, 1999 Order"), or any modifications of, or replacements to, that August 12, 1999 Order.

Treasury continues to preserve its IIM-related documentation pursuant to the August 12, 1999 Order. As previously reported in Treasury's Seventh Quarterly report filed September 4, 2001, on July 9, 2001, the Department of Justice ("Justice") filed the "Motion for a [New] Treasury Department Document Retention Order and Replacement of Paragraph 6 of the Stipulation Entered July 6, 1999" which is still pending. The proposed new retention order would exclude non-IIM records and certain duplicative IIM records, but otherwise would include all records that contain or could contain IIM information, including summary level information.

¹ Stipulation 5 provided: "Following consultation with Interior, Treasury will evaluate and submit its proposed revised record retention schedules for IIM-related documents to the Archivist of the United States, pursuant to 44 U.S.C. chapters 29, 31 and 33, and the corresponding regulations..."

This quarter, Treasury continued taking steps to ensure the retention of the records described in Stipulation 6. Throughout this quarterly reporting period, Treasury kept the Special Master apprised of developments.

By letter dated March 27, 2003, the Bureau of the Public Debt (BPD), through Justice, requested approval from the Special Master to implement a system based on scanning and storing paid savings bond images digitally rather than on microfilm. The Special Master orally approved the request, which Justice confirmed in a letter to the Special Master on April 7, 2003. (See Attachment B.)

As set forth on pages 29, 36-37 and 60-61 of Interior's Thirteenth Report to the Court, filed May 1, 2003, Interior's Office of Special Trustee (OST) submitted necessary forms and information to enable Financial Management Service (FMS) to process adjustments to the pool-level IIM account at Treasury, 14X6039, effective March 31, 2003. The adjustments eliminated the approximately \$2.5 million difference in the IIM trust fund balance between Interior and Treasury. In addition, OST has committed to follow necessary reconciliation procedures and to correct differences in a timely manner to keep the balances aligned.

On April 7, 2003, Treasury, through Justice, informed the Special Master of the status of pending legislation known as the Check Truncation Act and the impact it would have on Treasury's handling of Cobell-related checks, if enacted. (See Attachment C.)

With respect to the 55 findings cited by GAO in its January 31, 2002 report titled "Financial Management Service: Significant Weaknesses in Computer Controls Continue" (GAO-02-317), one finding remains outstanding, and it is not specific to IIM-related systems.² On May 16, 2003, the Special Master requested that FMS stand ready to provide additional information to his information technology (IT) expert regarding FMS' IT security.

Treasury continues to support and provide assistance to Interior in its ongoing trust management and accounting efforts. As it has in the past, Treasury continues to work closely with Interior's Office of Historical Trust Accounting (OHTA) to produce checks and check-related information from FMS' Check Payment and Reconciliation (CP&R) System, upon receipt of necessary predicate information to conduct such searches. In March 2003, FMS received two requests for check records from OHTA along with tapes of predicate information. One request was for check copies for Interior's Alaska pilot. The second request was for check information for Interior's Southwest pilot and Per Capita accounts. After processing the tapes through CP&R, FMS provided the search results to OHTA on May 15, 2003, consisting of check data on more than 13,000 checks and photocopies of 33 checks. In May 2003, FMS received

² On February 27, 2002, Treasury filed a motion for a protective order in regard to (1) FMS' position paper concerning the GAO report and (2) the attachments *to* the position paper. Pending a ruling on the motion, the Special Master directed the Plaintiffs, in a letter dated March 14, 2002, to keep the contents of the FMS position paper confidential. On November 27, 2002, the Special Master granted, in part, Treasury's motion and issued a Protective Order and Opinion, providing that FMS' March 1, 2002 position paper and one attachment (Attachment A) are "protected material" and imposing limitations on their disclosure. On December 10, 2002, Treasury, through the Department of Justice, filed a Motion to adopt the recommendations made in the Special Master's November 27, 2002 Opinion.

two additional requests and tapes of predicate information from OHTA, requesting check records for Interior's Alaska pilot and Judgment accounts. FMS is currently processing those tapes through CP&R. Interior and Treasury representatives have discussed suggested approaches for coordinating OHTA's requests for check records on an ongoing basis.

On March 4-6,2003 and May 14-15, 2003, Treasury representatives attended sessions of two accounting conferences provided by OHTA, in Albuquerque, New Mexico and Washington, D.C., respectively, for personnel and contractors working on various aspects of the historical accounting project. On March 18-20,2003, Treasury representatives attended sessions of a trust foundations training conference conducted by Upper Mohawk, Inc. through Interior in Washington, D.C.

On May 27, 2003, Treasury transmitted, through Justice, a report from its Chief information Officer to the Special Master regarding an e-mail system upgrade and a possible data loss during a system failure at the Departmental Offices. This report followed telephonic notice to the Special Master of this possible data loss on May 20,2003, and telephonic notice to Plaintiffs' Counsel on May 22, 2003. Treasury is currently assessing whether any data was lost during that failure. (See Attachment D.)

INDEX TO ATTACHMENTS

*The Department of the Treasury's Fourteenth Quarterly Report
June 2, 2003*

- Attachment A** The Department of the Treasury's Stipulation dated July 6, 1999
- Attachment B** Letters dated March 27, 2003 and April 7, 2003, from Brian L. Ferrell, Special Attorney, U.S. Department of Justice, and John J. Siemietkowski, Trial Attorney, U.S. Department of Justice, respectively, to Alan L. Balaran, Special Master, requesting and confirming Mr. Balaran's approval to implement digital imaging of paid savings bonds
- Attachment C** April 7, 2003 letter from Brian L. Ferrell, Special Attorney, U.S. Department of Justice, to Alan L. Balaran, Special Master, regarding the pending Check Truncation Act
- Attachment D** May 27, 2003 letter from John J. Siemietkowski, Trial Attorney, U.S. Department of Justice, to Alan L. Balaran, Special Master, transmitting a report regarding an e-mail system upgrade and possible data loss at Treasury's Departmental Offices (without attachments)

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

ELOUISE PEPION COBELL, et al.,)

Plaintiffs,)

v.

BRUCE BABBITT, et al.,)

Defendants.)

Civil Action
Case No. 96-185 (RCL)

STIPULATION

In a good faith effort at resolving the dispute between the parties and consistent with its statutory and regulatory authority, the Department of the Treasury has engaged in a comprehensive assessment as to how to address the issues between Treasury and the plaintiffs. Thus, defendant Department of the Treasury hereby stipulates and agrees to the following:

RECORDS RETRIEVAL; DEVELOPMENT OF NEW SYSTEMS

1. Treasury's current system does not allow Treasury to search and retrieve IIM checks drawn on the Treasury for individual payees without predicate information (i.e., check symbol, serial number) from Interior.
2. New System for Negotiated Checks - Within one year of the filing of this stipulation, Treasury will install a new system to retrieve by payee name (and potentially an additional unique identifier such as an alpha-numeric designation from Interior) information from IIM checks negotiated after the new system becomes operational
3. New System for Checks Issued, but not Negotiated - Provided that the Office of Trust Fund Management (OTFM) provides payee names and potentially an additional unique

identifier to Treasury (as it presently provides other information on disbursed check), Treasury will install, within one year of the filing of this stipulation, a new system to retrieve by payee name (and potentially an additional unique identifier such as an alpha-numeric designation from Interior) information for IIM checks issued by OTFM after the new system becomes operational. This system will provide information on checks that have been issued but not negotiated.

RECORD RETENTION

4. Treasury will consult with the Department of the Interior to identify IIM-related documents maintained or created by Treasury necessary to meet the government's trust obligations
5. Following consultation with Interior, Treasury will evaluate and submit its proposed revised record retention schedules for IIM-related documents to the Archivist of the United States, pursuant to 44 U.S.C. chapters 29, 31 and 33, and the corresponding regulations. The revised schedules will address the existing undifferentiated check records as well as differentiated records once IIM check information is segregated. See ¶¶ 2-3.
6. Until the new retention schedules are in effect, Treasury will preserve:
 - a. original checks, and **digitized** and microfilm copies of negotiated checks;
 - b. check information from these same checks in electronic form (i.e. check serial number, date and amount);
 - c. monthly reports of **canceled checks** (either in electronic form or hard copy as retained in the normal course of business), and,

- d. **IIM deposit fund investment records (either in electronic form or hard copy as retained in the normal course of business), specifically requests for investment/redemption, transaction confirmations, and monthly account statements.**

AVAILABILITY OF DEPOSITS FOR INVESTMENT

7. Although current OTFM practices with respect to timing of investment conform to industry standards, Treasury will nevertheless, within fifteen (15) days of the filing of this stipulation, allow OTFM, on the morning of the next business day, to invest "as of" the prior business day, all deposits that were available to Treasury the prior business day but were not included in that day's OTFM overnight investment request.

STUDY TO DETERMINE CHECK NEGOTIATION PRACTICES

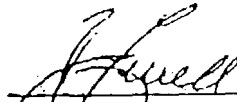
- 8 Treasury will undertake a study, which it anticipates completing within one year of the filing of this stipulation, to determine the average time between the date of OTFM check issuance and the date of presentation of those checks to the Federal Reserve for payment. The results of this study could be used in analyzing the feasibility and desirability of possible modifications to the existing practices for disbursement of IIM checks or the disinvestment of funds.

Dated: July 6, 1999

Respectfully submitted,

LOIS J. SCHIFFER
Assistant Attorney General

TOM C. CLARK II, Calif. Bar No. 109098
Senior Counsel
U.S. Department of Justice
Environment & Natural Resources Division
P.O. Box 7611
Washington, D.C. 20044-7611
(202) 514-3553



BRIAN L. FERRELL
Trial Attorney
U.S. Department of Justice
Environment & Natural Resources Division
P.O. Box 663
Washington, D.C. 20044-0663
(202) 305-0428

OF COUNSEL:

Edith R. Blackwell
Connie Lundgren
Michael S. Carr
Department of the Interior
Office of the Solicitor

Francine Kemmer
Department of the Treasury
Office of the General Counsel

ATTACHMENT B
(1 of 2)



United States Department of Justice
Civil Division
Commercial Litigation Branch

BRIAN L. FERRELL
SPECIAL ATTORNEY

P.O. BOX 875, BEN FRANKLIN STATION TEL: (202) 691-3715
WASHINGTON, D.C. 20044-0875 FAX: (202) 205-1566

March 27, 2003

VIA FACSIMILE

Nan L. Balaran, Special Master
1717 Pennsylvania Avenue, N.W.
12th Floor
Washington, D.C. 20006

RE: Cobell et al. v. Norton et al. Civil Action No. 96-1285

Dear Mr. Balaran:

In a letter dated August 6, 1999 (attached hereto), you authorized *the* destruction of hard copies of savings bonds **submitted** for **credit** by paying agents through the commercial check collection system **after** the **paid** bonds **are** **filmed** at the Federal Reserve office in **Pittsburgh**. Your letter specified that consent to resumption of destruction of physical securities was conditioned on **the understanding** that Public Debt would **maintain microfilm** copies **of the** bands **and** that **microfilm** copies **would** be subject to your inspection at any time.

Public Debt and the Federal Reserve office in Pittsburgh are nearing implementation of a project called Retired Bond Imaging, or RBI. This initiative calls for the **elimination** of **microfilming** of redeemed securities in favor of digital imaging. The digital images will **be** electronically retrievable, reduce workloads in Public Debt's microfilm retrieval operation, and accelerate case processing. Digital images are of higher quality **than** microfilm images, and the RBI **system** has been designed to meet established systems security and management control standards. **However**, since your **permission** to resume routine destruction **was** explicitly predicated on **the** creation of microfilm copies, Public Debt is seeking approval to implement a system **based** on scanning and storing **paid** bond images digitally **rather than** on microfilm.

Should *you* have any questions, please **do** not hesitate to call me at 691-3715.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "B. Ferrell". The signature is fluid and cursive, with the first letter of the first name being a large, stylized capital letter.

Brian L. Ferrell
Special Attorney

Enclosure

cc: Dennis Gingold, Esq. (via facsimile)

L.A. OFFICE
ALAN L. BALARAN
SUITE 225
1666 CONNECTICUT AVENUE, N.W.
WASHINGTON, D.C. 20009

ADMITTED DC & MD

(202) 666-SO10

August 6, 1999

FACSIMILE
(202) 686-8477

VIA FACSIMILE AND FIRST-CLASS POSTAGE

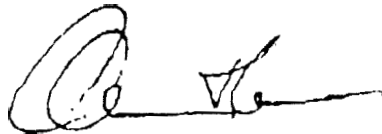
Charles W. Findlay, Esq.
United States Department of Justice
Environment and Natural Resources Division
P.O. Box 663
Washington, DC 20044-0663

RE: Cobell et al. v. Rabbitt et al. Civil Action No. 96-1285

Dear Mr. Findlay:

Please consider this letter my consent to your requests dated July 16 and July 29, 1999 to permit the Department of the Treasury to resume their method of microfilming redeemed savings bonds in lieu of maintaining them in hard copy. Based on the Treasury Department's explanation of its method of preserving records of the bonds and its representation that the samples forwarded to my office are representative of the general condition of the microfilmed images of the bonds, the Department may resume its practice of destroying the hard copies of the bonds. My consent is conditioned on the explicit understanding that the Department will maintain the microfilm copies of the bonds and that the microfilm copies will be subject to my inspection at any time.

Sincerely,



Alan L. Balaran
SPECIAL MASTER

cc: Dennis Gingold
Keith Harper

08/06/99 FRI 16:13 [TX/RX NO 8525]



U.S. Department of Justice
Civil Division

ATTACHMENT B
(2 of 2)

Regular Mail:
P.O. Box 875
Ben Franklin Station
Washington, DC **20044-0675**

Express Delivery
1100 L Street, N.W.
Room 10050
Washington, DC **20005**

John J. Siemietkowski
Trial Attorney

Tel.: (202) 514-3368
Facsimile: (202) 514-9163
E-mail: John.Siemietkowski@usdoj.gov

April 7, 2003

BY FACSIMILE

Alan L. Balaran, Special Master
1717 Pennsylvania Ave., N.W., 13th Floor
Washington, DC 20006

Re: Digital Imaging of Checks

Dear Mr. Balaran

This is to confirm our understanding that you have given your permission to Treasury to implement its system of scanning and storing paid savings bond images digitally rather than on microfilm. If this is not your understanding, please let me know at your earliest convenience.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink that reads "John J. Siemietkowski".

John J. Siemietkowski
Trial Attorney
Commercial Litigation Branch

cc: Dennis M. Gingold (by facsimile)
Brian Ferrell (by facsimile)



ATTACHMENT C

United States Department of Justice
Civil Division
Commercial Litigation Branch

BRIAN L. FERRELL
SPECIAL ATTORNEY

P.O. Box 875, BEN FRANKLIN STATION TEL: (202) 691-3715
WASHINGTON, D.C. 20044-0875 FAX: (202) 208-1566

April 7, 2003

VIA FACSIMILE

Alan L. Balaran, Special Master
1717 Pennsylvania Avenue, N.W.
12th Floor
Washington, D.C. 20006

RE: Cobell et al. v. Norton et al. Civil Action No. 96-1285

Dear Mr. Balaran:

Pleased be advised that there is legislation being considered by Congress that would change the way checks are processed in the United States. This act, referred to as the Check Truncation Act, is being proposed to address the virtual standstill in check movement in the days following September 11, 2001. The act would encourage the use of information technology to make check processing and collection more efficient by enabling banks of first deposit to capture the digital image of checks, present the data electronically for collection and to destroy the checks. There is more detailed information about this proposed legislation on www.federalreserve.gov/boarddocs/testimony/2003. There you will find Congressional testimony from April 3, 2003, of Roger W. Ferguson, Jr., Vice Chairman of the Federal Reserve Board.

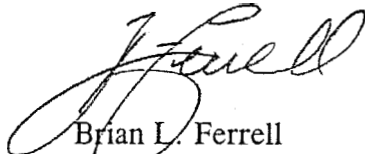
This legislation, if enacted, would impact Treasury's handling of Cobell-related checks because Treasury checks, like all other checks, would be subject to this legislation. Treasury officials have met with Congressional staffers on both the House and Senate sides to discuss the affect this legislation would have on Treasury's responsibilities under the *Cobell* litigation.

If the Check Truncation Act passes and Treasury checks are no longer being forwarded to Federal Reserve Banks, Treasury would plan to obtain the digital image of Cubell-related checks and include the data from those checks in the ODES and OATS systems.

I will keep you informed on the status of this proposed legislation.

Should you have any questions, please do not hesitate to contact me.

Respectfully submitted,



Brian L. Ferrell
Special Attorney

cc: Dennis Gingold, Esq.(via facsimile)



U.S. Department of Justice
Civil Division

ATTACHMENT D

Regular Mail:
P.O. Box 875
Ben Franklin Station
Washington, DC 20044-0875

Express Delivery
1100 L Street, N.W.
Room 10050
Washington, DC 20005

John J. Siemietkowski
Trial Attorney

Tel.: (202) 514-3368
Facsimile: (202) 514-9163
E-mail: John.Siemietkowski@usdoj.gov

May 27, 2003

BY FACSIMILE

Alan L. Balaran, **Special Master**
1717 Pennsylvania Ave., N.W., 13th Floor
Washington, DC 20006

Re: **Hardware Failure and E-Mail System Upgrade at Treasury Departmental Offices**

Dear **Mr. Balaran**:

I am attaching a letter to me from **Brian Ferrell** regarding a **hardware failure**, the possibility of some data loss, and an **e-mail system upgrade at Treasury's Departmental Offices**, I am also attaching a **report** on the hardware failure and the e-mail **system upgrade** written by Treasury's Chief Information Officer. **This letter and report** follow telephonic notification of these issues to you by **Mr. Ferrell**, as a **Special Attorney**, on **May 20, 2003**, and telephonic notification to **Mr. Gingold** by **Mr. Ferrell** and I on **May 22, 2003**.

We will **keep you informed** about the progress of these **issues**. In the meantime, **please do not hesitate to contact me** if you have any **questions**.

Sincerely,

John J. Siemietkowski
Trial Attorney
Commercial Litigation Branch

cc: Dennis M. Gingold (by facsimile)

CERTIFICATE OF SERVICE

I declare under penalty of perjury that, on June 2, 2003 I served the foregoing *Notice of Filing of the Fourteenth Quarterly Report for the Department of the Treasury* by facsimile in accordance with their written request of October 31, 2001 upon:

Keith Harper, Esq.
Native American Rights Fund
1712 N Street, N.W.
Washington, D.C. 20036-2976
(202) 822-0068

Dennis M Gingold, Esq.
Mark Kester Brown, Esq.
607 - 14th Street, NW
Box 6
Washington, DC 20005
(202) 318-2372

By U.S. Mail upon:

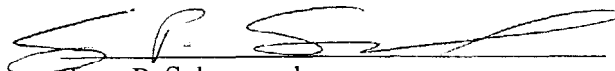
Elliott Levitas, **Esq**
1100 Peachtree Street, Suite 2800
Atlanta, GA 30309-4530

Per the Court's Order of April 17, 2003,
by facsimile **and** by U.S. Mail upon:

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

By facsimile and U.S. Mail upon:

Alan L. Balaran, Esq.
Special Master
1717 Pennsylvania Avenue, N.W.
13th Floor
Washington, D.C. 20006
(202) 986-8477


Sean P. Schmergel