



Highlights of [GAO-06-849T](#), a testimony before the Committee on Indian Affairs, U.S. Senate

### Why GAO Did This Study

From 1946 to 1966, the government constructed the Fort Randall and Big Bend Dams as flood control projects on the Missouri River in South Dakota. The reservoirs created behind the dams flooded about 38,000 acres of the Crow Creek and Lower Brule Indian reservations. The tribes received compensation when the dams were built and additional compensation in the 1990s. The tribes are seeking a third round of compensation on the basis of a consultant's analysis.

The Congress provided additional compensation to other tribes after two prior GAO reports in 1991 and 1998 ([GAO/RCED-91-77](#) and [GAO/RCED-98-77](#)). For those reports, GAO proposed that one recommended approach to providing additional compensation would be to calculate the difference between the tribe's final asking price and the amount that was appropriated by the Congress and then adjust that difference using the inflation rate and an interest rate to reflect a range of current values.

This testimony is based on GAO's report, *Indian Issues: Analysis of the Crow Creek Sioux and Lower Brule Sioux Tribes' Additional Compensation Claims* ([GAO-06-517](#), May 19, 2006). Specifically, this testimony notes that the tribes' consultant did not follow the approach in GAO's 1991 and 1998 reports. The additional compensation amounts calculated by the tribes' consultant are contained in H.R. 109 and S. 374.

[www.gao.gov/cgi-bin/getrpt?GAO-06-849T](http://www.gao.gov/cgi-bin/getrpt?GAO-06-849T).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Robin M. Nazzaro at (202) 512-3841 or [nazzaror@gao.gov](mailto:nazzaror@gao.gov).

## INDIANS' ADDITIONAL COMPENSATION CLAIMS

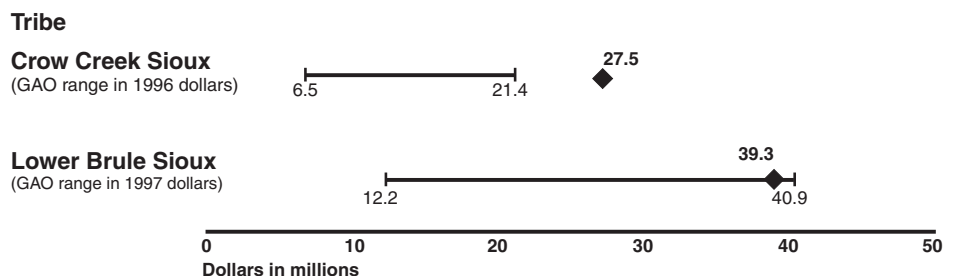
### Calculations for the Crow Creek Sioux and Lower Brule Sioux Tribes Differ from Approach Used in Prior GAO Reports

#### What GAO Found

The approach the tribes' consultant used differed from the approach used in prior GAO reports by (1) not using the tribes' final asking prices as the starting point of the analysis and (2) not providing a range of additional compensation. First, in calculating additional compensation amounts, GAO used the tribes' final asking prices, recognizing that their final settlement position should be the most complete and realistic. In contrast, the consultant used selected figures from a variety of tribal settlement proposals. For example, for the rehabilitation component of the tribes' settlement proposals, the consultant used \$13.1 million from proposals in 1957, rather than \$6.7 million from the tribes' final rehabilitation proposals in 1961. Second, the tribes' consultant calculated only the highest additional compensation dollar value rather than providing the Congress with a range based on different adjustment factors, as in the earlier GAO reports.

Based on calculations using the tribes' final asking prices, GAO's estimated range of additional compensation is generally comparable with what the tribes were authorized in the 1990s (see figure below). GAO determined that the tribes' final asking prices were a reasonable starting point for the calculations, as was the case for the tribes GAO reviewed in two prior reports. By contrast, the consultant estimated about \$106 million and \$186 million for additional compensations for the Crow Creek Sioux and Lower Brule Sioux tribes, respectively (in 2003 dollars). Rather than bringing the Crow Creek Sioux and Lower Brule Sioux tribes into parity with the additional compensation provided to other tribes, GAO believes that the two bills under consideration in the 109<sup>th</sup> Congress—H.R. 109 and S. 374—would have the opposite effect. The bills would catapult the Crow Creek Sioux and Lower Brule Sioux tribes ahead of the other tribes and set a precedent for the other tribes to seek a third round of compensation. While our analysis does not support the additional compensation amounts contained in H.R. 109 and S. 374, the Congress will ultimately decide whether or not additional compensation should be provided, and if so, how much it should be.

**GAO's Estimated Range of Additional Compensation Versus the Additional Compensation the Tribes Were Authorized in the 1990s**



◆ Additional compensation that the Congress authorized for the tribes in 1996 and 1997

Source: GAO.