
Trust Management Improvement Project

**Quarterly Status Report to the Court
Number Three**

**For the Period
May 1, 2000 to July 31, 2000**



August 31, 2000

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Introduction

The Court's Order. In the matter of *Cobell v. Babbitt*, the United States District Court for the District of Columbia on December 21, 1999, ordered the Department of the Interior ("DOI" or "Interior") to submit quarterly reports on actions taken to correct problems identified by the Court that relate to the Federal government's statutory trust responsibility to individual Indians.

Third Quarterly Report. This is the third status report submitted pursuant to the Court's Order. This report documents two major improvement subject areas: 1) actions and changes pertaining to the February 29, 2000, Revised and Updated High Level Implementation Plan (HLIP) that have occurred since the end of the reporting period of the *Second Quarterly Report*, and 2) steps taken by the DOI to rectify Court-declared breaches of trust.

Quarterly Report Number Three covers the reporting period of May 1, 2000, through July 31, 2000. This report is organized to follow the order of the HLIP; that is, subproject by subproject. Information on the ten active HLIP subprojects is followed by information on each of the four projects that address areas identified by the Court as breaches of the trust responsibility. Each "chapter" contains an outline of the problem the subproject addresses, an action report on the specific milestones due during the reporting period, information on significant ongoing activities, and an updated Milestone Chart indicating current milestone status.

For context and ease of reference, the Milestone Chart for each subproject immediately follows the discussion of each subproject. Milestones that are due to be completed during this reporting period are shaded in the Milestone Chart. All changes reflecting slipped or revised milestone dates are featured on these charts as well. With completion of the Trust Funds Accounting System (TFAS) implementation, Interior's HLIP consists of ten active projects. And, as established previously, the Records Retention breach report appears under the HLIP Records Management chapter, with appropriate cross-references.

The Revised High Level Implementation Plan. The revised HLIP contains some 253 milestones directed towards accomplishment of trust improvement projects. Of this total, a cumulative total of 141 milestones have been completed as of the end of the reporting period, including 19 milestones scheduled for completion during the reporting period. This report also addresses a number of other significant ongoing milestones that are notable. Five milestones were not completed on the scheduled date during this reporting period. The impact and reasons therefore are detailed in the applicable HLIP subproject.

In summary, schedules were missed in the following projects:

- **BIA Appraisals:** one milestone was missed;
- **Probate Backlog:** two milestones were missed;
- **Records Management:** one milestone was missed;
- **Policies and Procedures:** one milestone was missed.

In the case of the Probate and the Policies and Procedures subprojects, one milestone in each relating to the publication of regulations experienced slight, inconsequential delays relating to the actual date on which draft regulations were published in the *Federal Register* (from June 30, to July 14, 2000). The two-week delay is not expected to affect when final regulations are promulgated.

Court-Identified Breach Projects. The Department of the Interior's February 2000 plans to address Court-identified breaches of statutory trust duties under the *American Indian Trust Fund Management Reform Act of 1994* include a total of 79 milestone tasks, of which a cumulative total of 37 were due to be completed by the end of the reporting period. This figure includes eight milestones that were scheduled for actually completion during the reporting period. One milestone was scheduled to be completed in the upcoming reporting period, but was completed early, during this reporting period.

During this reporting period, five milestones were completed by the established milestone deadlines. Four milestones were not completed on the scheduled date, and the impact and reasons therefore are detailed in this status report on the applicable breach report.

In summary, schedules were missed in the following projects:

- **Collecting Information from Outside Sources:** one milestone was missed;
- **Records Retention/Management:** one milestone was missed (reported above);
- **Workforce Planning:** two milestones were missed.

One of the milestones missed in the Workforce Planning project is related to developing information to feed into the FY 2002 budget and appropriation process. Subsequent instructions from the Administration changed the manner in which the FY 2002 budget will be developed, and made accomplishment of this particular milestone date somewhat irrelevant.

Trust Reform Funding. As mentioned in the second quarterly report, the Department submitted a reprogramming letter on May 31 to the House and Senate Appropriations Committees. The letter requested approval to reallocate \$3.2 million of existing trust management improvement funds to respond to the breaches of trust identified by the court. The Department has received approval from both the House and Senate and has reallocated funding accordingly.

On June 16, the Department submitted a FY 2001 budget amendment to the Office of Management and Budget (OMB) requesting funding to meet the increased costs of trust reform and litigation support that were not known or anticipated when the President's Budget was formulated last winter. In a July 28 letter, OMB notified the Congress that \$28 million, in addition to the amounts previously requested in the President's Budget, was needed for trust reform and litigation support. The Administration has urged the Conferees on the Interior & Related Agencies Appropriations Bill to provide the full amount of the President's revised request in the final FY 2001 appropriation.

Special Trustee Observations

The newly appointed Special Trustee for American Indians has completed an initial survey of work in progress relative to the HLIP and the Breaches Reports. In general, it is evident that an enormous amount of work is underway and that considerable progress has been made, but also that significant challenges remain. Specifically, the following observations on those challenges are offered by the Special Trustee.

BIA Data Cleanup

- ✓ Indications are that the BIA Data Cleanup effort continues to present serious challenges and may delay implementation of TAAMS at some locations. For example, in the Rocky Mountain Regional Office (Billings), the historical records for land title and records are not complete and cannot immediately be placed into TAAMS until the missing electronic records are researched and entered into the legacy database.
- ✓ The Special Trustee will also work with the BIA subproject manager to obtain meaningful metrics on the progress of the BIA data cleanup effort.

BIA Appraisals

- ✓ The Special Trustee is concerned that the independence and integrity of the BIA appraisal staff be established in accord with the Uniform Standards of Professional Appraisal Practice.

Probate Backlog

- ✓ Solving the Probate Backlog has been a serious and complex management problem and remains so. The BIA and OST will work together to ensure the BIA's detailed work plan is adequate to resolve the Probate Backlog. An important first step was accomplished in the hiring of BIA Attorney Decision Makers to work on probate at the field level.

TAAMS

- ✓ The TAAMS project schedule is heavily influenced by two activities - data conversion and cleanup, and training and acceptance of the system by the user community. TAAMS represents a very different way of doing business for the BIA and the change is not being readily accepted by all users. This project runs a risk of further delays, primarily due to these challenges. Management intervention will continue to be required to ensure that all BIA users accept TAAMS.
- ✓ An 8 week re-deployment of the TAAMS realty functionality is underway in Billings. It is expected that the DOI decision on the deployment of the realty portion of TAAMS beyond Billings will occur later in the fall of this year.
- ✓ Given the historical variances in business rules and practices among BIA agencies, BIA and OST are working to develop uniform business rules and practices. Once completed, these will be integrated into TAAMS.
- ✓ Programming and testing is progressing on the necessary software interfaces with OST and MMS, but the interfaces are not yet operational.

In each of the above situations, the Special Trustee is working to reinforce the efforts underway with a view towards ensuring that the Department fully meets its trust responsibilities and its commitments to the Court. In the cases of BIA Data Cleanup and BIA Probate Backlog, the Special Trustee will evaluate progress on the direction of these efforts and will base funding allocation decisions on well-developed plans and metrics.

HIGH LEVEL IMPLEMENTATION PROJECT: ACTIVITY REPORTS

1. OST Data Cleanup

I. Statement of the Problem

Documentation and supporting data in the Individual Indian Monies (IIM) module of the BIA's Information Resources Management System and IIM file jacket folders were not maintained consistently throughout BIA and OTFM field offices.

Numerous deficiencies existed in the data because of inconsistent application of any "standard" method of data input, account/data review, or standardized use of Tribal Codes, Alpha Codes or Management Codes.

II. Summary of Milestones Due this Quarter:

No milestones were due this quarter.

III. Summary of Ongoing Activities:

M. Oversee Contractor's Efforts and Report on Progress. The DataCom contract reports are generated so that OTFM may monitor progress. Currently, OTFM is overseeing progress on follow-on post-conversion cleanup as outlined in "P" below. Toward this end, OTFM has weekly meetings with the contractor to discuss progress and issues.

N. Resolve Jacket Folder Retention/Production Issue with Tribes. The Department is currently considering options regarding the remaining three tribes for this milestone activity.

P. Identify, Report on, Organize and Initiate Follow-on Post-Conversion Cleanup Efforts. OTFM continues to work on post-conversion cleanup issues. The final TFAS conversion occurred on March 31, 2000.

After the final conversion the following post conversion activities have occurred:

- Of 1,282 accounts that were opened in a region other than the home agency, 323 have been investigated and corrected and moved to the home agency;
- Of 1,334 accounts with account types that do not follow policy, 308 have been investigated and corrected;
- Of 4,830 accounts with alpha codes or account categories that do not follow policy, 79 have been investigated and corrected;

-
- Of 183,000 Alphabetic Sort Characters in the Name & Address file that required review and/or correction, all have been reviewed and/or corrected;
 - Of 262,000 Account Name Alphabetic Sort Characters that required review and/or correction, 50,000 have been reviewed and/or corrected.

All remaining post-conversion cleanup efforts will be completed by September 30, 2000.

P3. Locate Missing Documents. Letters were sent to 472 "unrestricted" account holders that had cumulative disbursements exceeding \$5,000 over a 12-month period (unrestricted accounts are those IIM accounts in which an individual Indian may determine the timing and amount of disbursements from the account, as established in 25 CFR 115). To date, missing mandatory documents from 187 of these accountholders have been received.

P5. Continue Researching/Resolving Whereabouts Unknown Accounts. To date, OTFM provided 6,657 names and social security numbers and/or last known addresses from the Western, Pacific, Alaskan, Navajo and Southwest Regions to TransUnion Credit Bureau. The company matched 3,727 account names and social security numbers from its database (a 56% hit ratio) and provided addresses to OTFM for those matches. Letters of address confirmation have been sent to the 3,727 addresses matched. To date, 513 responses from accountholders have generated account/address updates to TFAS.

OTFM is exploring other ways to locate accountholders who are not located within the TransUnion database including sending individual letters to the Social Security Administration (SSA) for forwarding to accountholders based on current SSA information, and updating the Whereabouts Unknown website with a user friendly data entry screen containing preliminary information to start the investigative process. OTFM also is exploring the use of other internet locating services.

Currently, there are social security numbers in the OTFM database that do not have backup documentation. In an effort to verify the authenticity of the numbers, OTFM has received and will be implementing the instruction manual for the Social Security Enumeration Verification System (EVS). This system will match names and social security numbers that are currently on the Trust Funds Accounting System (TFAS) with official SSA records. In this process, the Social Security Administration will advise OTFM of such particulars as: 1) names and social security numbers that do not match; 2) numbers that were never issued; or 3) names, dates of birth, and gender codes that do not match.

IV. Changes/Corrections to the HLIP: None.

V. Milestone Chart for the OST Data Cleanup Subproject
Subproject Manager: Doug Lords, OST

<u>Milestone</u>	<u>Schedule</u>	
Milestones due this report cycle (5/1/00 – 7/31/00) are shaded		
A. Establish Project Charter	11/30/96	Completed
B. Organize Project and Temporary Staff to Conduct Records Cleanup Pilot.....	12/31/96	Completed
C. Select and Cleanup a Test Agency.....	03/31/97	Completed
D. Select Additional Test Site and Cleanup Records	06/30/97	Completed
E. Develop and Refine Cleanup Processes	06/30/97	Completed
F. Acquire Contractor to Perform Cleanup of Administrative Records in 18 Months	08/27/97	Completed
G. Select Pilot Site - BIA's Western Region (Phoenix Area)	11/13/97	Completed
H. Task Contractor for Methods Study, Planning, and Production Gear-up	12/31/97	Completed
I. Task Contractor to Initiate, Conduct and Complete Cleanup	01/05/98	Completed
J. Gather Western Region Trust Records Centrally in Albuquerque.....	02/03/98	Completed
K. Finish Cleanup of Western Region Administrative Trust Records.....	03/29/98	Completed
L. Continue Gathering IIM Administrative Trust Jacket Folders and Trust Records from Other Areas	3/29/00	Completed
M. Oversee Contractor's Efforts and Report on Progress		Ongoing
N. Resolve Jacket Folder Retention/Production Issue with Tribes		Ongoing
O. Complete IIM Jacket Folder Cleanup.....	09/30/99	Completed
P. Identify, Report on, Organize and Initiate Follow-on Post Conversion Cleanup Efforts:		Ongoing
P1. Eliminate Duplicate Accounts	03/31/00	Completed
P2. Transfer Tribal IIM Accounts	03/31/00	Completed
P3. Locate Missing Documents.....		Ongoing
P4. Revise Management Coding (Plan Development)	09/30/00	
P5. Continue Research/Resolving Whereabouts Unknown Accounts	09/30/00	Eval. Point
P6. Resolve Special Deposit Accounts (Plan Development).....	09/30/00	
P7. Settle Issues with Small Balance/Inactive Accounts		Ongoing
P8. Resolve Accounting Discrepancies		Ongoing

2. BIA DATA CLEANUP AND MANAGEMENT

I. Statement of Problem

The BIA is implementing a new Trust Asset and Accounting Management System (TAAMS) throughout all regions, agencies and participating tribal offices. The data found in the legacy systems varies considerably in terms of quality, completeness and timeliness. Some offices use the current systems regularly, others use them rarely, and still others have redefined the legacy systems to fit their own needs.

The scope of the BIA data cleanup effort is extensive. At present, the BIA is managing an estimated 170,000 tracts of land encompassing:

- 56 million acres
- 350,000 Indian owners
- 2 million owner interests
- 100,000 active leases

Some historical records date back to the original allotment period in the 1880's.

II. Summary of Milestones Due This Quarter:

G. Perform Pre-Deployment Data Cleanup in Current Systems. This milestone was scheduled to be initiated by June 30, 2000. This milestone date was met. The BIA's data cleanup contractor has an active data cleanup program effort occurring. Data cleanup continued at ten BIA regional offices and ten agencies for the month of July. All BIA regions have data cleanup activity occurring; however, two regions (Navajo and Great Lakes) do not have a data cleanup activity occurring on-site because their land title records are administered by another BIA region.

DataCom conducted three pilot realty site assessments during July at the following agencies: Southern Pueblos Agency, Albuquerque, New Mexico; Anadarko Agency, Anadarko, Oklahoma; and the Central California Agency, Sacramento, California. Based on information gathered from these assessments and feedback provided by BIA personnel, DataCom employees planned to modify and create a final site assessment questionnaire to be sent to all BIA agency offices in mid-August.

Data Cleanup Overview by Region:

Rocky Mountain Region Cleanup Status – The data cleanup focus for July shifted to the Realty Lease Owner Inquiry (LOI) Task and the TAAMS Information Migration Evaluation (TIME) Project. DataCom completed the LOI Task by July 31, 2000, and met the deadline previously scheduled to coincide with IRMS conversion. DataCom personnel have scanned 541 documents (100%) from the tract-driven sample and 33% of the original document listings for the TIME Project. Data Cleanup for the Rocky Mountain Region also includes the Multiple Owner ID Task (including out-of-unity IRMS encoding at Ft. Peck Agency), the Fee Owner Task and the Metes and Bounds Task.

Work on these tasks ceased for the month of July because of deadlines set for the LOI Task and the TIME Project. Work on these tasks was to resume in August.

Alaska Region Cleanup Status – Juneau continued its focus on title examination and encoding into TAAMS. Through July, Cook Inlet was 84% complete with a total of 592 allotment documents entered, Koniag was 69% complete, with 403 allotment documents entered, and Chugach was 13% complete with 44 allotment documents entered into TAAMS.

Great Plains Region Cleanup Status – Data cleanup personnel at the Great Plains Region continued their focus on the following tasks: Multiple Owner ID, Document Processing, and backlog global requests. Through July, data cleanup personnel have completed the research process for 9,217 cases (89%) and have completed 5,368 cases (52%) for the Multiple Owner ID Task (Aberdeen and Minneapolis). DataCom personnel completed 1,342 (10%) of 13,000 cases by the end of July for the Document Processing task. The processing of total backlogged global requests from the agencies also continued through July. Employees have completed 741 requests to date, affecting 4,044 tracts.

Southwestern, Western and Navajo Regions Cleanup Status – Data cleanup personnel at the Albuquerque office completed the initial research process for 99% of the multiple owner ID cases for the Albuquerque task and 21% of the multiple owner ID cases for the Navajo/Phoenix task through July. Seventy cases are complete for the Navajo/Phoenix task and 557 of the cases are complete for the Albuquerque task. DataCom personnel from the Eastern Navajo Agency and Pima Agency completed 155 non-enrolled ID number cases through July. Southwest Regional Office and Pima Agency data cleanup personnel submitted a total of 166 administrative probate modifications for BIA review and approval.

Northwest Region (Flathead/Colville) Cleanup Status – DataCom personnel at the Northwest Regional Office initiated the 100N Number Task and continued to work on the Multiple Owner ID task in July. Personnel from the Portland and Flathead offices completed the initial research process for 3,791 (84%) Multiple Owner ID cases, and 306 (7%) of these cases are complete. Data cleanup personnel also completed the encoding process for 278 (2.8%) of 9,861 cases listed for the 100N Number task in July.

Pacific Region Cleanup Status – DataCom personnel from the Pacific Region continued to focus data cleanup efforts on two tasks: Multiple Owner ID and Non-Enrolled ID Number. Personnel completed the initial research process for 580 (84%) Multiple Owner ID cases through July, and 226 (33%) of these cases are complete. Employees also completed the initial research process for 569 (27%) Non-Enrolled ID cases. As of July 28, 2000, 762 agency requests for ID verification were outstanding.

Southern Plains Region Cleanup Status – Anadarko data cleanup personnel continued to focus data cleanup efforts on the Multiple Owner ID Task. Personnel completed the initial research process for 2,459 cases (99%), and 287 (12%) of these cases are complete. In preparation for deployment of TAAMS on July 21, 2000, 11 DataCom employees attended a TAAMS training session in Dallas on July 16-21, 2000.

Eastern Region - The data cleanup focus at the Eastern Regional Office continues to be the acquisition of legal land documents and verification of microfiche files. Data cleanup personnel completed review and inventory tasks for 39 boxes (17,042 cases) of the 72 boxes (30,525 cases) identified as cleanup work by the Eastern Regional Office. The focus at the Cherokee Agency remains the acquisition and certification of original legal documents. Data cleanup personnel completed document examination on 59 records regarding identification, inventory, tagging, classification, duplication and certification tasks.

III. Summary of Ongoing Activities:

F. Training on Data Cleanup and Data Quality Policies and Procedures. Training continues as the data cleanup contractor adds new staff at BIA data cleanup sites. Data cleanup personnel totaled 194 as of July 31, 2000.

H. Monitor Data Integrity for Each BIA Office. The purpose of this milestone is to assess the accuracy of the legacy systems conversion into TAAMS, as well as the accuracy of the data in the legacy system itself. The BIA and DataCom TAAMS Information Migration Evaluation (TIME) project identifies the data accuracy, completeness and timeliness levels at a sample of BIA sites.

A random sample, stratified by land area codes, of the original document types converted from the regional legacy systems will be scanned onto CDs. These electronic documents will be compared to the information housed in TAAMS. If a discrepancy is discovered, DataCom staff will determine if the discrepancy originated from the legacy system, or if it was created by the conversion. After the assessments are completed, DataCom statisticians will report trends and provide analysis to the BIA. The goal of the project is to provide accurate and concise analysis for use by the BIA in program management review relating to the deployment and maintenance of TAAMS.

The TIME project is in its pilot phase. Recruiting continues for additional staffing needs. Currently, ten employees are dedicated to the TIME project, six of whom are assigned to document retrieval and scanning for the Rocky Mountain Region. As of July 31, 2000, over 3,027 documents have been scanned.

During the month of August, work was to commence on the Ownership Assessment Task. This work will be centrally performed in Albuquerque, New Mexico. This task will report on 100 randomly selected tracts assessing all documents currently associated with those tracts. Scanning for this sample began on July 10, 2000, and continued through July 21, 2000. Tract-driven assessment reports were expected to be available for BIA review on August 28, 2000. The current scanning task, a review of populated data elements to be performed in conjunction with the integration of history data, will continue. The first result of the TIME project will be available in September.

I. TAAMS Post-Deployment Cleanup. Post-deployment cleanup activities for title data are occurring at two sites – the Rocky Mountain Region and the Alaska Region. The Rocky Mountain Regional Office continues to work on ensuring that its data in TAAMS is

accurate and usable for title purposes. The Alaska Region's data is being directly entered by the data cleanup contractor.

The data cleanup effort continues as described above. Special efforts are being taken to ensure that data contained in TAAMS meets the highest standards of data integrity. The software vendor has been requested to develop a series of specialized data maintenance screens with detailed auditing functions that will allow BIA users the ability to cleanup data more readily once TAAMS is deployed, and will provide management with extensive oversight capabilities.

These screens have been identified by the Rocky Mountain Regional Office as essential in their effort to fully implement TAAMS. At present, the data contained in their TAAMS database is very close to operational, however the Rocky Mountain Regional Office continues to find data anomalies that must be corrected outside of the normal data entry processes contained in TAAMS.

IV. Corrections/Changes to the HLIP:

Effective June 26, 2000, Mr. Chester Mills assumed the role of TAAMS Project Manager. In this capacity Mr. Mills assumes day-to-day responsibility for the on-going activities of TAAMS and the BIA Data Cleanup.

**V. Milestone Chart for BIA Data Clean Up and Management Subproject
Subproject Manager: Chester Mills, BIA**

<u>Milestone</u>	<u>Schedule</u>
Milestones due this report cycle (5/1/00 – 7/31/00) are shaded	
A. Assign BIA Data Administrator and Data Administration Team.....	08/31/98 Completed
B. Identify Data Elements, Standards, and Metrics & Ownership Issues	03/26/99 Completed
C. Perform Data Quality Analysis	12/31/98 Completed
D. Procure Data Cleanup Contractor Assistance	03/01/99 Completed
E. Develop Data Cleanup Strategy, Policies and Procedures	08/31/99 Completed
F. Train on Data Cleanup and Data Quality Policies and Procedures.....	Ongoing
G. Perform Pre-Deployment Data Cleanup in Current Systems	06/30/00 Initiated
H. Monitor Data Integrity for Each BIA Office	Ongoing
I. TAAMS Post-Deployment Cleanup.....	12/31/03
J. Post Data Cleanup Auditing	Ongoing
K. BIA Data Management.....	Ongoing

3. PROBATE BACKLOG

I. Statement of the Problem:

The Secretary is charged with administering trust or restricted resources and funds for the benefit of individual Indian owners. Federal law permits Indian resource owners to pass title to their trust assets by testamentary devise or by intestate succession and imposes upon the Secretary the duty of determining the legal heirs to the trust assets after the death of an Indian trust asset owner. As each generation passes, Indian heirs become owners of undivided interests in the trust and restricted assets. This multiple common ownership is referred to as fractionated heirship.

Due in large part to the great numbers of fractionated interests in trust assets, probate cases in BIA regions with high concentrations of allotted lands have become backlogged. The Indian Probate Reinvention Laboratory found that this situation is further exacerbated by the fact that both BIA and OHA lack sufficient staff exclusively dedicated to probate case work, and that there exists no uniform agency procedures for facilitating timely processing. Caseload data, which included a projected estimate of future deaths, was that approximately 15,500 actions are pending in ten BIA regions.

The Office of Hearings and Appeals (OHA) performs the adjudication functions in which Administrative Law Judges probate Indian trust estates. The failure of OHA to remain current in probate adjudication adversely affects the accuracy of title records and the proper distribution of funds derived from trust property. OHA has approximately 4,000 pending cases including undecided cases that have been carried over from prior years and new cases received from BIA in the current year. The implementation of the reinvention recommendations will address the backlog of pending cases and prevent future backlogs.

II. Summary of Milestones Due this Quarter:

A. Strategies to Reduce Backlog

A1. Establish Attorney Decision-Maker Positions as an Alternative Means of Deciding Cases. This milestone was scheduled to be completed by July 31, 2000. This milestone has been met. The 10 Attorney Decision Maker (ADM) positions were advertised from June 1, 2000, to June 22, 2000, and 26 Indian preference applicants were certified by personnel on July 17, 2000. The Office of Trust Responsibility selected and made offers to 10 certified applicants for the regional offices on July 28-31, 2000. Training was conducted on August 21-25, 2000, for the new ADMs who are scheduled to report to their respective duty stations no later than September 4, 2000.

H. Complete Staffing Needs Assessment to Determine Staffing Levels at BIA Field Office.

H.1 Phase I. This milestone was scheduled to be completed by June 1, 2000, and was not met. The HLIP noted that, by June 1, 2000, a contractor would: 1) analyze the

information reported in the December, 1999 BIA probate caseload assessment; 2) use metrics from the probate staff to determine case processing time; and 3) project the range of required staff positions needed at the various BIA field offices as Phase I of this milestone. The necessary coordination between the Workforce Planning project and the Probate Backlog subproject did not occur.

A report was issued by Macro International, the contractor retained by the Department's Office of Personnel Policy, on May 31, 2000. The contractor's report was not complete with regard to the BIA field staffing, nor verified with regard to the BIA backlog processing staff.

Once the report has been validated, the analysis of BIA's probate caseload assessment, determination of case processing times, and projections of staffing positions at various BIA field offices can be accomplished. A new milestone date for this subproject should be proposed, in coordination with the validation effort of the Workforce Planning team, and based on the requirements of the HLIP for the completion of Phase I of this milestone.

M. Amend OHA Regulations and Promulgate BIA Regulations that Establish Policies and Procedures for the Indian Probate Program

M1. Promulgation of BIA Regulations. This milestone was scheduled to be completed by June 30, 2000. This milestone was completed on July 14, 2000, after a short delay. The proposed rules for the probate regulations were published in the *Federal Register* on July 14, 2000. The BIA-proposed probate regulations were included as a package of four areas of trust reform.

O. Coordinate Implementation of Improved Probate Record Keeping Strategies. This milestone was scheduled to be completed by July 31, 2000. This milestone was met. BIA has prepared a probate file standards manual that outlines the reinvented probate procedures and designs an interim plan for probate file maintenance from the time the probate regulations are final until the Records Subproject develops a revised records schedule next year. This activity is coordinated with the HLIP Records Subproject. On June 27, 2000, BIA and OHA project representatives met with the OST Records Subproject Director to discuss each subprojects' activities and to coordinate the development of the BIA interim standards. The BIA interim standards were developed July 31, 2000.

III. Summary of Ongoing Activities:

A. Strategies to Reduce Backlog

A4. Complete Decisions on Pending Cases. This milestone is scheduled to be completed by September 30, 2002. The number of probate cases decided by OHA during this quarter from May 1, 2000, to July 31, 2000, is 671. The total number of OHA decisions from October 1, 1999, to July 2000 is 2,860. OHA expects to decide over 3,000 probate cases in FY 2000 despite disruptions caused by a reorganization, including reassignment of three Administrative Law Judges (ALJs). When OHA has

filled all vacancies in the new offices and these offices are fully operational, OHA expects to make an even greater reduction of the OHA backlog. OHA will use temporary ALJs to address cases when they are received from the BIA backlog.

A5. Posting and Recording of Probate Orders. This milestone is scheduled to be completed December 31, 2001. An existing contract with DataCom, Inc. was modified on June 28, 2000, to begin the elimination of the posting and recording backlog at BIA's title plants. DataCom is scheduled to begin the deployment of three teams serving four regional offices with the largest concentration of backlog: Great Plains, Rocky Mountain, Southwest, and Midwest Regions. The contract addresses a backlog of over 1,500 probates in these targeted regions, which have reported that their backlog has increased to 2,942 as of June 1, 2000. BIA has noted that the backlog for posting and recording will continue to increase as the backlog for processing the probate cases is reduced and, as such, the contract for the reduction of the backlog spans several years.

A6. Contract for Elimination of Probate Case Processing Backlog. This milestone is scheduled to be completed by December 31, 2002. BIA will modify the existing contract with DataCom to include probate case backlog processing, having finalized a statement of work for processing the probate backlog on July 11, 2000. Negotiations are anticipated to conclude by September 1, 2000, and contract modifications to be made by September 15, 2000.

B. Address Probate Backlog Created by Youpee v. Babbitt. This milestone is scheduled to be completed by September 30, 2004. The Pawnee Agency and Southern Plains Regional Office have been selected as the pilot sites for the Youpee Project and implementation guidance for reporting has been provided by BIA. Pilot work commenced on May 1, 2000 at the Land Title and Records Plant at the Southern Plains Regional Office, which changed the land records to reflect the determination of heirship set forth in the Judge's orders. After the records at the title plant are changed, the agency posts and encodes the change of ownership in the agency records. The Pawnee Agency began the pilot on June 5, 2000, with its posting tasks.

G. Hire Additional OHA Staff and Reopen Probate Offices. OHA identified space in Billings, Bismarck, Phoenix and Rapid City in which field offices will be established. Judges and staff were scheduled to occupy the new OHA Rapid City Office the week of September 1, 2000. OHA reported that the Bismarck and Billings offices will have build outs completed, and will be furnished and ready for occupancy in September 2000. The Phoenix Office will occupy temporary leased space, pending completion of the permanent office. The Sacramento Office is being expanded to accommodate an additional OHA ALJ and OHA has scheduled with GSA to have the new space furnished in August 2000.

Recruitment is completed for the ALJ positions in Billings and Phoenix and selections have been made for those offices. The ALJ in Billings has been on board since August 14, 2000, and the Phoenix ALJ is scheduled to start September 25, 2000. Recruitment continues for an ALJ for the Bismarck office. OHA will staff that office with a temporary ALJ if a permanent ALJ is not recruited by September 30, 2000.

OHA received applications for the attorney advisor position from personnel on August 4, 2000. OHA is now reviewing over 250 applications to fill 12 vacancies in its field offices located in Billings, Bismarck, Rapid City, Sacramento, St. Paul, Oklahoma City and Phoenix. OHA has already filled an attorney vacancy in its Albuquerque office.

IV. Changes/Corrections to the HLIP:

The number of probate cases that were decided by OHA from February 1, 2000 to April 30, 2000, was erroneously reported in the Second Quarterly Report as 342 (page 9). The actual number should have been 1,018 cases decided during that period.

A new milestone date for Milestone H.1. will be proposed.

(Section V. Milestone Chart starts on next page)

V. Milestone Chart for the Probate Backlog Subproject
Subproject Managers: Charles Breece, OHA
Kathleen Supernaw, BIA

<u>Milestone</u>	<u>Schedule</u>
Milestones due this report cycle (5/1/00 – 7/31/00) are shaded	
A. Strategies to Reduce Backlogs	
A1. Establish Attorney Decision Maker Positions as an Alternative Means of Deciding Cases	07/31/00 Completed
A2. Elimination of Summary Distribution Backlog.....	12/31/00
A3. Complete Decisions on Current Docket and Incoming Cases	09/30/02
A4. Complete Decisions on Pending Cases	09/30/02
A5. Posting and Recordation of Probate Orders	12/31/01
A6. Contract for Elimination of Probate Case Processing Backlog	12/31/02
B. Address Probate Backlog Created by <i>Youpee v. Babbitt</i>	09/30/04
C. Conduct Two-Phased Indian Probate Reinvention Lab to Develop a Reengineered Probate Process	11/29/99 Completed
D. Establish OHA / BIA Implementation Team to Coordinate Implementation of Redesigned Probate Process	09/30/00
E. Authorize Increased Summary Distribution Threshold for BIA Agency Superintendents	08/24/99 Completed
F. Legislation to Authorize Hiring Indian Probate Judges	11/99 Completed
G. Hire Additional OHA Staff and Reopen Probate Offices.....	09/30/00
H. Complete Staffing Needs Assessment to Determine Staffing Levels at BIA Field Office:	
H1. Phase I.....	06/01/00 TBD
H2. Phase II.....	03/31/01
I. Hire BIA Probate Staff and Establish BIA Professional Corps	06/30/01
J. Identify Indian Probate Training Needs.....	08/31/00
K. Expand Existing OHA Caseload Tracking into a Joint Interim System	12/31/00
L. Convert Interim Probate Tracking into a Comprehensive Probate Tracking and Caseload Management System.....	TBD
M. Amend OHA Regulations and Promulgate BIA Regulations that Establish Policies and Procedures for the Indian Probate Program:	
M1. BIA Draft Regulations.....	06/30/00 Completed
M2. Promulgation of BIA Regulations	12/31/00
M3. Promulgation of OHA Regulatory Amendments	07/31/01
M4. Publication of an Interim Final Rule to Permit BIA Attorney Decision Makers to Make Summary Distributions.	05/02/00 Completed
N. Continue to Identify and Implement BIA and OHA Best Practices Through Implementation Phase of Reengineered Probate Process.....	Ongoing
O. Coordinate Implementation of Improved Probate Record Keeping Strategies	07/31/00 Completed
P. Initiate Customer Service Outreach	09/30/00 Ongoing
Q. Initiate Partnerships with Other Federal Agencies.....	08/31/01
R. Establish Partnerships with Indian Tribes	
R1. Inventory of P.L. 93-638 Tribes	12/31/00
R2. Model Memorandum of Understanding	09/30/00
R3. Inventory of Tribal Inheritance Codes	03/31/01
R4. Model Inheritance Code	06/30/01

4. BIA APPRAISALS

I. Statement of the Problem:

In general, the regulations governing the processing of trust resource transactions require the Secretary to obtain fair market value for tribes and individual Indian owners on trust and restricted land and resources. To meet this requirement, an appraisal or other valuation is used as a management tool to ensure that fair and just compensation is received by the Indian landowner on transactions including, but not limited to, leases, rights-of-way, land sales, timber sales, land exchanges, grazing and range permits.

At the end of Fiscal Year 1999, the BIA estimated its appraisal backlog to be 2,000 requests. The result of this backlog is that a similar number of realty transactions have not been consummated for lack of a valuation of the trust resource. Some transactions have been pending for as long as three years.

II. Summary of Milestones Due this Quarter:

D. Evaluate and Survey Fair Market Value Appraisal Requirements. This milestone was scheduled to be completed by June 30, 2000. This milestone date was met. The Deputy Commissioner of Indian Affairs was scheduled to issue interim guidance by June 30, 2000. The Office of Trust Responsibilities advised the Deputy Commissioner not to issue interim guidance concerning BIA valuation practices at this time, pending the completion of the proposed rule-making process for the leasing, grazing and probate programs. The Deputy Commissioner accepted this recommendation, finding that interim guidance is premature. Interim guidance will be issued by October 31, 2000, if necessary.

K. Realign Line Authority to Ensure Consistent Management and Overview of Appraisal Program. This milestone was scheduled to be completed by May 31, 2000. This milestone date was not met. However, on May 11, 2000, the Deputy Commissioner of Indian Affairs received the Appraisal Technical Board's recommendation that all bureau appraisal staff should be under the direct supervisory control of the Regional Appraisers. The Appraisal Technical Board also recommended that a Branch of Appraisals be established under the direct supervision of the Regional Directors. To consider such organizational changes, an administrative review of the existing appraisal program and consultation with the tribes will be conducted. The review and analysis will permit an informed administrative decision by December 31, 2000.

III. Summary of Ongoing Activities:

A. Determine and Ensure Certification Qualifications of BIA Appraisers. The BIA currently has 31 certified appraisers and 10 trainee appraisers. Since February 2000, three appraiser trainees have attained state certification. The appraiser trainees still need to accumulate three years' practical appraisal experience and appraisal education required for certification.

L. Reduce Rocky Mountain Region Appraisal Backlog. During this quarter, a total of 1,124 pending appraisals were completed and eliminated from the appraisal backlog at the Rocky Mountain Regional Office.

As reported in the Second Quarterly Report, as allottee and tribal landowners witness the addition of appraisal staff to agencies, these owners request new transactions of BIA realty and trust resource staff, thereby significantly increasing the appraisal workload. Notwithstanding the increased workload, the BIA anticipates eliminating its appraisal backlog at the Rocky Mountain Regional Office by August 31, 2000.

IV. Changes/Corrections to the HLIP: New Milestone Dates.

D. Evaluate and Survey Fair Market Value Appraisal Requirements. The BIA will reevaluate the need for interim guidance by October 31, 2000.

K. Realign Line Authority to Ensure Consistent Management and Overview of Appraisal Program. The revised date for the completion of this task is December 31, 2000.

**V. Milestone Chart for BIA Appraisal Program Subproject
Subproject Manager: Gabriel Sneezy, BIA**

<u>Milestone</u>	<u>Schedule</u>	
Milestones due this report cycle (5/1/00 – 7/31/00) are shaded		
A. Determine and Ensure Certification Qualifications of BIA Appraisers		Ongoing
B. Development of a Real Estate Appraisal Handbook.....	10/14/98	Completed
C. Develop and Maintain Database for Tracking Appraisals.....	09/30/00	
D. Evaluate and Survey Fair Market Value Appraisal Requirements.....	06/30/00	Revised to 10/31/00
E. Hire Bureau-Wide Chief Appraiser.....	06/21/99	Completed
F. Create Appraisal Technical Board	04/27/99	Completed
G. Implement a Standard Appraisal Request Form.....	11/22/99	Completed
H. Implement an Automated Comparable Sales/Lease Database System.....	09/30/00	
I. Contract On-Line Real Estate Providers in Locations Where Available	04/28/00	Completed
J. Upgrade the Bureau's Automated Systems.....	09/30/00	
K. Realign Line Authority to Ensure Consistent Management and Overview of Appraisal Program	05/31/00	Revised to 12/31/00
L. Reduce Rocky Mountain Region Appraisal Backlog	08/31/00	

6. TRUST ASSET AND ACCOUNTING MANAGEMENT SYSTEM (TAAMS)

I. Statement of the Problem:

There are currently two BIA-wide automated systems used to manage Indian trust assets: the Land Records Information System (LRIS) and the Integrated Records Management System (IRMS). Neither system is integrated, they have no electronic interface with other trust systems, they utilize redundant data and virtually no internal or data entry auditing requirements exist. Nor do either LRIS or IRMS fully or adequately support all of the activities performed by the BIA offices at the regional, agency or tribal level.

The Trust Asset and Accounting Management System (TAAMS) that will replace existing systems is comprised of a modified commercial off-the-shelf general trust asset management system. The TAAMS will include master lease, billing and accounts receivable, collection subsystems, and land title functions.

II. Summary of Milestones Due this Quarter:

S1. Deployment to BIA and Tribal Sites – Title Portion Start. This milestone was scheduled to be completed by May 30, 2000. This milestone was met. During the past reporting period a limited set of TAAMS site licenses were deployed to the balance of BIA and tribal Land Title and Records Offices (LTROs), for a total of eight BIA LTROs and two tribal LTROs, so that they would have access to Rocky Mountain Regional Office data.

In June, TAAMS was deployed to the Alaska Region Land Title and Records Office. In July, TAAMS was deployed to the Southern Plains Region Land Title and Records Office.

III. Summary of Ongoing Activities:

K2. Complete System Modification Effort – Realty Functions and Interfaces.

The Land Title and Records functionality of TAAMS has been completed and is now fully loaded on the desktops in the Rocky Mountain Region, Southern Plains Region and Alaska Region Land Title and Records Offices (LTRO), as well as some limited deployment to all other BIA and tribal LTROs. Plans are proceeding for deployment to the Pacific Region in September. The TAAMS title functionality has been well received by the user community and appears to meet their needs for properly managing Indian land ownership records. After the software has been used for approximately six months, it will be re-evaluated to determine where enhancements can be made.

A thorough and in-depth reanalysis and review of the original leasing, distribution and accounts receivable modules was conducted from May through August. The leasing functions underwent extensive testing from August 14 – 25. Initial results from the

contractor and the users participating in the system test were positive, and the limited errors discovered during the system test have been fixed and retested satisfactorily. Feedback from the users participating in the system test was encouraging and their eagerness to have TAAMS deployed at their work is evident.

The TAAMS-TFAS interface work continues, with a view towards testing beginning the week of August 28. The software vendor will work directly with Office of Trust Fund Management staff during this period in order to ensure that all data properly transfers. Work on the interface with the Minerals Management Service (MMS) is underway, and the software vendor has reported a successful data exchange.

Re-deployment to the Rocky Mountain (Billings) Region Office (RMRO) of the leasing, distribution and accounts receivable functionality of TAAMS is expected to begin early in September. An eight-week deployment is planned, beginning with a thorough review of the communications facilities, local area network, desktops and printers being completed the first week. This will be followed by two weeks of in-depth data review and comparison with paper records. In conjunction with the data testing, in-depth training of the RMRO users will occur throughout the deployment period.

Beginning in mid-September the Rocky Mountain Region staff will initiate entering actual transactions into TAAMS in parallel with the legacy system – one function at a time – surface, range, right-of-way, sub-surface and forestry. A thorough analysis will be conducted comparing the results produced by TAAMS with the legacy system. A contractor and representatives of the Office of the Special Trustee will oversee the analysis. A formal report with a detailed transactional analysis of each action processed will be prepared.

TAAMS is scheduled to be implemented (system of record) in the Rocky Mountain region in mid-November, replacing the legacy system.

There are areas that remain a significant challenge and must be overcome for the TAAMS initiative to be a full success. For instance:

1. The data contained in the BIA's legacy systems was expected to be in an unacceptable condition in some offices. However, more recent analyses have found that it is in greater disorder and in more sites than predicted. The types of anomalies found, level of incomplete data and the lack of standardization will slow deployment progress and add to the complexity of data migration throughout the duration of the TAAMS initiative.

There will be cases where deployment to certain sites may be delayed because of serious migration issues or where data cannot be cleaned up to the extent that it can be supported in TAAMS. TAAMS will not work with incomplete or inconsistent data and sufficient data cleanup is necessary to eliminate these conditions before TAAMS can be operable.

2. BIA and the Office of the Special Trustee are continuing work on new business processes and procedures that will result in new business rules. In some cases

these rules must be incorporated into TAAMS by the software vendor, requiring good documentation and sufficient planning to allow the software vendor time to incorporate them into the system and fully test them prior to the official use.

3. Acceptance of TAAMS and changes that come with the use of the new system will have a dramatic impact on the daily routine of BIA and tribal staff. Even with the significant level of training being planned, there will be staff members who will acquire an understanding of TAAMS more slowly than others. Furthermore, all new systems meet some resistance from the user community and, because of the major differences in TAAMS from the BIA's legacy systems, it is expected that TAAMS will encounter more than most. Management oversight, training and staff and tribal orientations are planned to mitigate this issue.

T. Complete TAAMS Deferred Modifications. The approach to completing phase I of both the land title and records function, as well as the leasing function, has been to include all necessary required functionality for the user community. In some cases, functions that were originally considered deferred were included, and other functions that the original contract had placed in Phase I were deferred on the advice and guidance of the user. BIA has determined that work on the "mandatory-deferred" items should begin after it has had sufficient time to work with TAAMS and to assess if there are additional requirements to the system that had not been previously listed. BIA has noted that a review of both land title and records functions and leasing functions will begin in January 2001.

IV. Corrections/Changes to the HLIP:

Effective June 26, 2000, Mr. Chester Mills assumed the role of TAAMS Project Manager.

(Section V. Milestone Chart starts on next page)

**V. Milestone Chart for TAAMS System Subproject
Subproject Manager: Chester Mills, BIA**

<u>Milestone</u>	<u>Schedule</u>	
Milestones due this report cycle (5/1/00 – 7/31/00) are shaded		
A. Select Pilot Site	11/13/97	Completed
B. Acquire External Professional Consulting Services.....	03/31/99	Completed
C. Assemble Senior BIA and OST Team to Develop Requirements	04/24/98	Completed
D. Prepare and Publish RFI for COTS Systems	06/19/98	Completed
E. Organize Joint Technical Team to Develop Detailed Specifications & RFI.....	09/30/98	Completed
F. Obtain DOI Approval (TIA/IRMC) for System and Approach.....	09/11/98	Completed
G. Develop RFP Using Joint BIA/OST Technical Team/Systems Consultant	08/27/98	Completed
H. Select TAAMS Project Management Team	11/30/98	Completed
I. Award Contract to Successful Proposer	12/02/98	Completed
J. Develop System Modification and Deployment Strategy with Contractor	05/31/99	Completed
K. Complete System Modification Effort		
K1. Title Portion.....	04/17/00	Completed
K2. Realty Functions and Interfaces	08/31/00	
L. Analyze National Requirements for User Work Stations - Rocky Mountain Region		1
M. Conduct System Testing	11/22/99	Completed
N. Complete Training of Support and User Personnel at Rocky Mountain Region.....	06/30/99	Completed
O. Complete Independent Verification and Validation.....	02/28/00	Completed
P. Initiate TAAMS Pilot at BIA's Rocky Mountain Region	06/25/99	Completed
Q. Perform User Test at Pilot Site.....	02/04/00	Completed
R. Deployment Decision Review	03/22/00	Completed
S. Deployment to BIA and Tribal Sites		
S1. Title Portion Start	05/30/00	Completed
S2. Realty Functions and Interfaces Start	08/31/00	
T. Complete TAAMS Deferred Modifications	09/30/00	
U. TAAMS Documentation and Supporting Information.....		As needed
V. TAAMS Ongoing Operations.....		Ongoing

¹ Hardware to be provided in concert with TAAMS deployment.

7. MMS SYSTEMS REENGINEERING

I. Statement of the Problem:

Faced with changing energy markets, new legislative mandates and aging computer systems, the Royalty Management Program (RMP) made the decision to reengineer its core business processes and support systems. This initiative is necessary in order for the RMP to remain cost-effective and responsive to customer needs and to fulfill its trust responsibility to American Indians.

II. Summary of Milestones Due this Quarter:

K4. Complete General Design for Future Financial System. This milestone was scheduled to be completed by June 30, 2000. This milestone date was met. The General Design for the new RMP financial system was completed in June 2000. The General Design document is the culmination of the design efforts underway during the past five months (Joint Application Design sessions, Fit Analysis, and Conference Room Pilot sessions) and explains how the new system will work in the new environment. This is a critical milestone for the new RMP Financial System and serves as the basis for the Detailed Design of the new system, which will be completed later this summer.

III. Summary of Ongoing Activities:

C. Benchmark the Process. Andersen Consulting's recent proposal for RMP's new compliance and asset management system incorporates best practices from the energy industry. Andersen's assessment confirms that MMS's reengineering guiding principles are closely aligned with industry's best practices such as organizing into cross functional teams, creating geographic-based organizations focusing on producing assets and targeting the allocation of resources and effort based on risk and exposure.

E. Obtain Customer/Constituency Input. In June 2000, MMS met with officials of the State and Tribal Royalty Audit Committee (STRAC) to provide an overview of the compliance and asset management system development to date. MMS discussed with STRAC the fundamental compliance approach including the management, functional, technical and overall data architecture being proposed by Andersen Consulting. In April 2000, MMS met with the Council of Petroleum Accountants Societies (COPAS). MMS provided updates and received input on proposed royalty and production reporting requirements, data conversion, and the transition to the new financial and compliance business processes. MMS meets with its state and tribal constituencies and COPAS on a quarterly basis to provide Reengineering Initiative updates and to obtain input on various system and process-related issues.

K5. Complete Detailed Application Design. Work is now proceeding with the Detailed Design of the new RMP Financial System. Andersen Consulting analysts and RMP staff meet daily to review and analyze design concepts and ensure that the future system designs are responsive to functional requirements and meet mission objectives. On a parallel track, work is advancing on other key components of the future technical

architecture including the data warehouse, workflow, and data administration functions.

K6. Data Conversion Plan Finalized. The data conversion team has completed its initial analysis of data conversion options and associated costs. Management decisions on the preferred approach to data conversion will be reflected in the final Data Conversion Plan, which is due in October 2000.

M. Award Compliance System Contract. Andersen Consulting has provided a proposal in response to the Compliance System requirements defined by the RMP. The document outlines the functionality required and the technical support needed to accomplish compliance objectives in the reengineered RMP environment. An RMP team is now reviewing the proposal and preparing for further discussions with Andersen Consulting. These efforts will culminate in a contract with Andersen Consulting to design, build and implement the new Compliance System. As noted in the HLIP, this contract is expected to be in place on, or before, September 30, 2000.

IV. Changes/Corrections to the HLIP: None.

(Section V. Milestone Chart starts on next page)

V. Milestone Chart for MMS System Reengineering Subproject
Subproject Manager: Milt Dial, MMS

<u>Milestone</u>	<u>Schedule</u>	
Milestones due this report cycle (5/1/00 – 7/31/00) are shaded		
A. Initiate Program-Wide Reengineering with Full-Time Design Team.....	04/30/97	Completed
B. Identify Processes for Business Process Review	05/31/97	Completed
C. Benchmark the Processes		Ongoing
D. Map Processes.....	07/11/97	Completed
E. Obtain Customer/Constituency Input		Ongoing
F. Complete Preliminary Design Document/Decision to Proceed	03/31/98	Completed
G. Complete Prototyping and Pilot Testing.....	09/30/98	Completed
H. Complete Project Capital Investment Plan & Independent Verification and Validation.....	09/30/98	Completed
I. Issue Implementation Plans - Road Map to 21st Century	11/30/98	Completed
J. Implement Process Leading to Award of Financial System Contract.....	09/23/99	Completed
J1. Issue Request for Proposals (RFP) for COTS-based Financial System, Relational Data Base Management System, and Spiral Development Strategy to Include Data Warehouse Structure	04/09/99	Completed
J2. Conduct Vendor On-site Visits with MMS/RMP Staff.....	05/31/99	Completed
J3. Receive RFP Proposals and Begin Evaluation.....	06/02/99	Completed
J4. Evaluate Proposals, Including COTS Specific Independent Functional Validation.....	07/09/99	Completed
J5. Complete Evaluations and Commence Procurement Activity/Negotiations	07/23/99	Completed
J6. Award Financial System Development Contract.....	09/23/99	Completed
K. Develop Financial System Consistent with Contract Deliverables Schedule and Transition and Training Strategies		
K1. Initiate Development Contract Mobilization Under 120-Day Activity Plan.....	10/01/99	Completed
K2. Establish Financial Contract Management Plans and Schedule for Development Deliverables from Award Date to 9/30/01, and Commence Systems Analysis, Design and Development Activities which will include Testing and Independent Validation of TAAMS/TFAS interfaces.....	01/31/00	Completed
K3. Complete COTS Fit Analysis	02/28/00	Completed
K4. Complete General Design for Future Financial Systems	06/30/00	Completed
K5. Complete Detailed Application Design	08/31/00	
K6. Data Conversion Plan Finalized	10/13/00	
K7. System Test Plan Finalized	12/15/00	
K8. Build and Test Application Components	02/28/01	
K9. Design, Build and Test Data Conversion	04/30/01	
K10. Plan and Execute Functional and Performance Acceptance Test.....	08/31/01	
L. Complete Development and Delivery of Financial System, Relational Data Base Management System and Related Modules.....	09/30/01	
M. Award Compliance System Contract	09/30/00	
N. Complete Development and Delivery of Compliance System	09/30/01	

8. RECORDS MANAGEMENT

I. Statement of the Problem:

The inadequacies of Indian trust records have been well documented in Congressional reports, legal documents and testimony, the Special Trustee's Strategic Plan, various audits and oversight reports including those of the National Archives and Records Administration (NARA), and in the media. Among the primary obstacles to improving the Indian trust management program and complying with the *American Indian Trust Management Reform Act of 1994* are the poor records and record keeping systems of the Bureau of Indian Affairs. The decentralization of the BIA and varying conditions at its offices have resulted in a complex record keeping environment, even as reliance on its records has increased. Attempts in the early 1990's to correct these problems were insufficient, inconsistent, and cut short by reductions in resources. Since Secretarial Order 3197 transferred the financial trust services function from BIA to the OST in February 1996, some of the deficiencies apply to OST as well.

II. Summary of Milestones Due this Quarter:

W. Initiate Action to Replace Historical Records With Working Copies. This milestone was scheduled to be initiated by May 2000, but actually began by February 2000. During this and the previous reporting period, a number of BIA locations contacted the Indian Affairs Records Management (IARM) regarding copying of historical documents to enable the originals to be sent to archival storage. IARM is in the process of obtaining technical documentation and information from various records service providers to identify possible media options to this copying process, e.g., imaging, OCR, microfilm, microfiche, etc. Discussions also were held with the Southwest Regional Water Rights Office to initiate a pilot for producing microfiche or electronic images of records in order to protect original, historical record copies, provide a safe backup, and facilitate current and future research. Various approaches also have been examined at the Minnesota, Flathead, and Umatilla Agencies.

Y. Award New Contract for OST Imaging. This milestone was scheduled to be completed by July 1, 2000. This milestone date was not met. Due to the unanticipated amount of time to complete all necessary reviews, authorization to proceed with the project was not received until June 7, 2000. The Request for Proposal was published in *Commerce Business Daily* on July 12, 2000, and proposals are due by August 25, 2000. The contract is expected to be awarded by November 30, 2000. The impact of the delay is negligible to the overall life of this multi-year project.

III. Summary of Ongoing Activities:

I. Eliminate Existing Disposition Backlogs at BIA Agencies. While this milestone is scheduled to be completed no later than May 2002, IARM continues to work with BIA locations to assess their record backlogs to determine appropriate disposition. During this reporting period, IARM approved the transfer of over 230 boxes of records to Federal Records Centers (FRC). IARM, and/or contractor staff, worked onsite at five

BIA field locations to clean up, pack, and prepare for transfer to appropriate storage facilities over 2,000 boxes of records. IARM staff also visited nine BIA locations to assess records backlog and storage requirements.

M. Train Records Staff and Trust-Related Program Personnel. During this reporting period, mid-level management records awareness briefings were conducted for over 180 BIA employees at 10 BIA field locations. IARM staff received training on Electronic Records, Disaster Recovery and Vital Records, Indian Law, Writing for Results, P.L. 93-638, Privacy Act, Freedom of Information Act, Records Inventory and Schedule Development, Trust, Federal Records Act, and Project Management. In addition, IARM continued to work with a contractor on the development of a records management video and technical leaflets.

R. Establish Life Cycle Database (Inventory) for Trust and Other Records. During this reporting period, acquisition documents were processed to a database records management system (Versatile Enterprise) that will be used to administer records control schedules, track records retirement, and manage inactive collections of records in records centers. IARM is also compiling a database of Standard Forms 135 (Records Transmittal and Receipt) to identify and inventory all BIA and OST records holdings at various NARA Federal Records Centers nationwide.

U. Initiate Training and Technical Assistance for Compacted and Contracted Trust Records. This ongoing milestone started in December 1999. During this reporting period, IARM met with the Pueblo of Laguna and the Cherokee Nation to discuss their overall record keeping programs. In addition, a mid-level management records awareness briefing was conducted for approximately 55 Cherokee Nation employees at the tribal headquarters in Tahlequah, Oklahoma. Various employees of other tribes throughout the country attended mid-level awareness briefings at other locations as well.

Z. Publish Proposed Regulations for Compacted/Contracted Trust Program Records. This milestone is scheduled to be completed by December 31, 2000. Draft language was published in the *Federal Register* on July 14, 2000, as part of the proposed rulemaking for 25 CFR Parts 115 (Trust Funds for Tribes and Individual Indians), 162 (Leases and Permits on Indian Lands), and 166 (Grazing Permits on Indian Lands). The comment period is in progress.

DD. Complete Submission of Records Control Schedules to NARA. This milestone is scheduled to be completed no later than June 30, 2001, and work is progressing on an aggressive schedule. On May 8-11, 2000, more than 20 OST personnel, from both the Office of Trust Funds Management (OTFM) and the Office of Trust Litigation Support and Records, met with representatives of the Department of the Treasury in Albuquerque to review Treasury's flowcharts, IIM-related records, and proposed records retention plans. OST provided comments to Treasury regarding the specifics of the schedules and related operational issues. OST recommended that longer retention periods be considered for some records. On August 4, 2000, Treasury provided Interior with a revised approach to records retention, identifying categories of records proposed for "extended", "standard", and "miscellaneous" retention periods. IARM submitted a General Records Schedule (GRS) approach to NARA for review and received

comments. Staff is resolving concerns raised by NARA and is re-evaluating Indian Trust Accounting freeze items to ensure appropriate GRS application. IARM is developing a cross-reference to BIA records series from the General Records Schedule to be included at the front of the BIA Records Manual as NARA recommends. The GRS could provide authorized records schedules for as much as 40% of all BIA and OST records. IARM is considering NARA comments and suggestions regarding the Indian Affairs Records Control Schedule Project. This document consists of an action plan with milestones for scheduling all BIA and OST program records and submission of records schedules (Standard Form 115) to NARA by June 30, 2001. The project was being implemented for OTFM records as the reporting period ended.

IV. Changes/Corrections to the HLIP:

Y. Award New Contract for OST Imaging. The new date for the completion of this milestone is November 30, 2000.

R. Establish Advisory Committee on Records. This milestone is scheduled to be completed by August 31, 2000. A proposed new date for the completion of this milestone is August 31, 2001.

As noted in the January 1999 consultant report on trust records:

The Department needs to keep high level attention focused on Indian affairs records matters so that the current effort does not do the same. One way to keep attention focused is to institutionalize external oversight and accountability through an advisory committee.

The Court, the Special Master, the Congress, OMB, top level DOI, BIA, and OST management, the Special Trustee's Advisory Board, and others routinely receive detailed reports on the progress of trust records reform. An Advisory Committee on Records, while still desirable in the long term, is not an urgent need. Accordingly, Interior will defer the appointment of such a committee for one year, to August 31, 2001.

(Section V. Milestone Chart starts on next page)

**V. Milestone Chart for Records Management Subproject
Subproject Manager: Ken Rossman, OST**

<u>Milestone</u>	<u>Schedule</u>	
Milestones due this report cycle (5/1/00 – 7/31/00) are shaded		
A. Establish OST/BIA Working Group to Coordinate Joint Records Solution.....	02/11/98	Completed
B. Transfer Control Over Trust Financial Records from BIA to OST	03/05/98	Completed
C. Develop Joint Procedures for Records Access	06/09/98	Completed
D. Develop Agreement Between OST and BIA on Records Operations	06/09/98	Completed
E. Prepare Plan/Gain Approval of Records Imaging Technology	06/30/98	Completed
F. Commence Records Imaging Efforts	06/30/98	Completed
G. Initiate Development of Records Control Schedules	09/30/98	Completed
H. Develop an Agreed Upon Approach to Indian Trust Records Management ...	05/19/99	Completed
I. Eliminate Existing Disposition Backlogs at BIA Agencies	05/31/02	
J. Complete Systematic Centralization of OST Financial Trust Records	10/08/99	Completed
K. Hire Records Management Specialists.....	01/31/00	Completed
L. Develop & Issue Records Manuals, Training Aids & Technical Assistance ...	12/31/01	
M. Train Records Staff and Trust-Related Program Personnel.....	12/31/01	
N. Lift BIA Moratorium on Retiring Records to Federal Records Centers.....	04/04/00	Completed
O. Resolve Jacket Folder Retention/Production Issue with Tribes		Ongoing
P. Analyze Records Storage Requirements.....	12/31/01	
Q. Survey Trust Records Retention and Safeguarding	12/31/99	Completed
R. Establish Advisory Committee on Records.....	08/31/00	Revised to 08/31/01 ¹
S. Establish Life Cycle Database (Inventory) for Trust and Other Records.....	12/31/01	
T. Establish Evaluation Teams and Begin Cyclic Evaluations of Records Programs.....	04/27/00	Completed
U. Initiate Training for Compacted and Contracted Trust Records	12/31/99	Completed
V. Initiate Study of BIA Imaging Needs	12/31/00	
W. Initiate Action to Replace Historical Records with Working Copies.....	05/30/00	Completed
X. Review Trust Records Policies and Procedures with MMS, BLM, and DOI and Establish Continuing Dialogue	01/31/00	Completed
Y. Award New Contract for OST Imaging.....	07/01/00	Revised to 11/30/00
Z. Publish Proposed Regulations for Compacted/Contracted Trust Program Records	12/31/00	
AA. Complete Plan to Comply with Electronic Records Regulations	03/31/01	
BB. Complete Vital Records Plan	04/30/01	
CC. Publish Trust Records Instructional Guide in Conjunction with MMS, BLM & OHA.....	12/31/00	
DD. Complete Submission of Records Control Schedules to NARA.....	06/30/01	
EE. Establish Pilot Project(s) for Electronic Record Keeping	12/31/00	
FF. Complete Analysis of BIA Records Imaging Requirements	12/31/00	
GG. Complete Analysis of Records Storage Requirements.....	12/31/01	
HH. Complete Project to Cleanup Existing Disposition Backlog at BIA Agencies..	05/31/02	

¹Date has been modified to reflect changes described in the text.

9. TRUST POLICIES AND PROCEDURES

I. Statement of the Problem:

Proper management of Indian trust assets has been hampered by a lack of comprehensive, consistent, up-to-date regulations, policies, and procedures covering the entire trust cycle. Additionally, contemporary federal environmental protection statutes have placed agencies with little direct previous experience in managing Indian trust resources in the position of significantly affecting the use and disposition of Indian trust resources. This has resulted in program gaps and divergent practices, and a corresponding inability to ensure that consistent, sound policies and procedures are applied across the Department in its fulfillment of its trust responsibility. Moreover, there is a need for a comprehensive review of statutory and regulatory authorities and internal program guidance (such as procedural manuals or interagency agreements) to determine the need for revisions and/or the generation of new guidance.

II. Summary of Milestones Due this Quarter:

A2. Staffing of the Subproject. This milestone was scheduled to be completed by June 30, 2000. This milestone date was met. The remaining vacant staff position on the subproject staff was filled by June 30, 2000.

C1a. Develop Departmental Regulatory Initiatives: Publish Proposed BIA “First-Tier” Trust Management Rules. This milestone was scheduled to be completed by June 30, 2000. This milestone was completed on July 14, 2000, after a short delay. The proposed rules for the “first tier” of revisions to trust regulations were delivered to the *Federal Register* by June 30, 2000, and were published on July 14, 2000. The “first tier” consists of the four priority areas of trust resource management: leasing and permitting, grazing, probate, and tribal and individual trust funds.

C3a. Develop Departmental Regulatory Initiatives: OHA Interim Final Rule – Indian Probate Summary Distribution. This milestone was scheduled to be completed by April 30, 2000 and was met on May 2, 2000. As reported in the Second Quarterly Report, with the assistance of the Trust Policies and Procedures subproject personnel, OHA submitted a final technical amendment to the *Federal Register* in April, which was printed on May 2, 2000. This technical amendment changed the authority for performing summary distributions from the “superintendent” to “BIA” to allow for internal delegations to appropriate officials.

D. Identify Departmental Programs and Functions that Affect Indian Trust Resources.

D1. Prepare Agency Guidance Memorandum. This milestone was scheduled to be completed by May 9, 2000. This milestone date was met.

D3. Office of Special Trustee (OST) - The milestone was scheduled to be completed May 30, 2000. This milestone date was met

D4. Office of Surface Mining (OSM) - The milestone was scheduled to be completed May 30, 2000. This milestone date was met

D5. Office of Hearings and Appeals (OHA), Bureau of Reclamation (BOR) - The milestone was scheduled to be completed May 30, 2000. This milestone date was met

D6. Minerals Management Service (MMS), Bureau of Land Management (BLM), United States Geological Survey (USGS) - The milestone was scheduled to be completed June 30, 2000. This milestone date was met

D7. National Park Service (NPS) - The milestone was scheduled to be completed July 31, 2000. This milestone date was met

D8. Fish and Wildlife Service (FWS) - The milestone was scheduled to be completed July 31, 2000. This milestone date was met

In each of these above milestones (D3 through D8), the Trust Policies and Procedures Subproject Office gathered inventories submitted by Departmental offices and bureaus of their governing statutory and regulatory authorities and internal program guidance pertaining to activities that affect Indian trust resources. In addition, the Subproject Office has provided advice and counsel to the offices and bureaus within the Department required to submit this information. The reports were due and received from all agencies or offices required to submit the information by July 31, 2000.

III. Summary of Ongoing Activities:

C1b. Develop Departmental Regulatory Initiatives: BIA First-Tier Trust Management Rules – Publish Final Rules. The 90-day public comment period opened with the publication of the proposed rules on July 14, 2000. The Trust Policies and Procedures Subproject Office will conduct tribal consultations on the proposed regulations and will continue meeting with the work group established by the National Congress of American Indians. Meetings with other interested organizations will be conducted as necessary. Additionally, the Subproject Office will begin reviewing preliminary summaries of public comments received from the contractor.

IV. Changes/Corrections to the HLIP: The Second Quarterly Report noted an additional milestone, under “C. Develop Departmental Regulatory Initiatives” for the publication of an OHA interim final rule to be accomplished by April 30, 2000. That milestone was met with publication of the rule on May 2, 2000 and is now included on the milestone chart as “C.3a Publish Interim Final Rule”. During this reporting period, an additional milestone has been added under “D. Identify Departmental Programs and Functions that Affect Indian Trust Resources” as “D1. Prepare Agency Guidance Memorandum.” This milestone was scheduled to be completed by May 9, 2000 and was met.

**V. Milestone Chart for the Policy and Procedures Subproject
Subproject Manager: Art Gary, AS-IA**

<u>Milestone</u>	<u>Schedule</u>	
Milestones due this report cycle (5/1/00 – 7/31/00) are shaded		
A. Designate Department-Level Project Manager and Transfer Subproject from the Office of the Special Trustee to BIA		
A1. Transfer of Subproject	08/31/99	Completed
A2. Staffing of Subproject	06/30/00	Completed
B. Develop Trust Principles for Departmental Management of Indian Natural Resources and Money		
B1. Initial Draft of Trust Principles.....	11/30/99	Completed
B2. Tribal Consultations	12/31/99	Completed
B3. Departmental Clearance.....	04/28/00	Completed
C. Develop Departmental Regulatory Initiatives		
C1. BIA		
C1a. Publish Proposed Rules	06/30/00	Completed
C1b. Publish Final Rules.....	12/31/00	
C2. MMS		
C2a. Modify Proposed Rules	01/05/00	Completed
C2b. Comment Period Closes	03/06/00	Completed
C2c. Further Action	TBD	
C3. OHA		
C3a. Publish Interim Final Rule	05/02/00	Completed
C3b. Publish Proposed Rules	12/30/00	
D. Identify Departmental Programs and Functions that Affect Indian Trust Resources		
D1. Prepare Agency Guidance Memorandum.....	05/09/00	Completed
D2. BIA	09/30/99	Completed
D3. OST	05/30/00	Completed
D4. OSM.....	05/30/00	Completed
D5. OHA, BOR	05/30/00	Completed
D6. MMS, BLM, USGS.....	06/30/00	Completed
D7. NPS	07/31/00	Completed
D8 FWS.....	07/31/00	Completed
E. Analyze Departmental Functions Relating to Trust Resources:		
E1. OST.....	08/31/00	
E2. OHA	09/30/00	
E3. BOR	09/30/00	
E4. USGS.....	09/30/00	
E5. OSM.....	10/31/00	
E6. MMS.....	11/30/00	
E7. FWS	02/28/01	
E8. BIA	03/30/01	
E9. BLM.....	10/31/00	
E10. NPS.....	02/28/01	
F. Analyze Cross-cutting Issues and Problems	07/31/01	
G. Develop and Publish Revised Regulations	06/30/04	
H. Revise and Develop Internal Program Guidance Where Needed	TBD	
I. Develop Statutory Revisions	12/31/02	

10. TRAINING

I. Statement of the Problem:

Lack of adequate training of staff to deliver Indian trust fiduciary responsibilities to American Indians has been cited in numerous Office of the Inspector General (OIG) and General Accounting Office (GAO) reports as a problem area. In addition to an historic lack of adequate training, new trust accounting and asset management systems are being installed to improve the discharge of the Secretary's trust responsibilities to those American Indian tribes and individuals for which the federal government holds and manages assets in trust, the comprehension and use of which will require a coordinated and specialized training effort.

II. Summary of Milestones Due this Quarter:

H. Review Draft Training Plan for Non-Systems Training. This milestone was scheduled to be completed by June 30, 2000. This milestone date was met. A thorough review of the draft training plan for non-systems training was completed in May, 2000. OST staff completed its analysis of the recommendations contained within the draft training plan, which was a compilation of raw information relating to some 28 recommended training courses, course delivery methods, course sites and course providers. The data contained within the draft training plan provides the basis upon which a more specific training framework will be developed. This training framework will provide detailed information on which DOI and tribal employees should receive training courses, when those courses will be offered, where they will be available and how they will be provided to the training audience. After completing its review of the draft training plan, OST provided its recommendations on the draft plan, together with the raw data contained within the plan itself, to its training management contractor, Upper Mohawk, Inc (UMI).

I. Identify/Select Training Management Contractor. This milestone was scheduled to be completed by June 30, 2000. This milestone date was met. On May 17, 2000, Upper Mohawk, Inc., a Native American owned and controlled company headquartered in Beavercreek, OH, was selected as the Training Management Contractor. UMI has extensive experience providing training and management expertise in both the government and commercial sectors.

As the non-systems training contractor, UMI will be responsible for the successful planning, coordination and implementation of the non-systems training program. This effort will include the development of a training framework which will detail the schedule and delivery of training courses to the entire training audience. In addition, UMI will develop specialized training courses to address, among other things, the general characteristics of a trust, the responsibilities of a trustee, as well as policies and procedures in specific trust management function areas.

III. Summary of Ongoing Activities:

D. Deliver TAAMS Training Consistent with TAAMS System Deployment for BIA Areas. An ongoing TAAMS training effort continues for BIA and tribal personnel. A limited number of land title and records staff from all BIA and tribal title plants were trained in May. Full training was provided for Alaska Region and Southern Plains Region Land Title and Records Offices in June.

E. Provide Remedial Systems Training (TFAS and TAAMS) Where Requested. As it is requested, remedial TFAS and TAAMS training will be provided. TFAS Overview training was provided for the Southern Plains Region BIA staff on July 27 and 28, 2000.

IV. Changes/Corrections to the HLIP: None.

V. Milestone Chart for the Training Subproject
Subproject Manager: Richard Fitzgerald, OST

Milestone	Schedule
Milestones due this report cycle (5/1/00 – 7/31/00) are shaded	
A. Schedule and Deliver Training for 105 Personnel by TFAS Contractor	07/31/98 Completed
B. Provide TFAS Systems Training in Line with Deployment	03/24/00 Completed
C. Design, Schedule and Deliver TAAMS Systems Training for Rocky Mountain Pilot	09/30/99 Completed
D. Deliver TAAMS Training Consistent with TAAMS System Deployment for BIA Areas	Ongoing
E. Provide Remedial Systems Training (TFAS and TAAMS) Where Requested	Ongoing
F. Acquire External Professional Services of Training Contractor	01/15/99 Completed
G. Obtain Training Information from Trust and Realty Employees.....	04/19/99 Completed
H. Review Draft Training Plan for Non-Systems Training	06/30/00 Completed
I. Identify/Select Training Management Contractor.....	06/30/00 Completed
J. Finalize and Approve Training Plan for Non-Systems Training	08/31/00
K. Award Contracts to Training Providers	08/31/00
L. Identify Existing Courseware to Meet Skills Gap for Other Training.....	10/31/99 Completed
M. Develop Courseware Not Available for Non-Systems Training	09/30/00
N. Implement Training.....	Ongoing
O. Schedule and Deliver Non-Systems Training	Ongoing

11. INTERNAL CONTROLS

I. Statement of the Problem:

For decades, tribes and individual Indians have voiced concerns over the Department's management and accountability for their trust funds and the overall management of natural resources.

Reviews conducted over the past 15 years by the General Accounting Office, the DOI's Inspector General (OIG), and independent accounting firms have confirmed Indians' concerns and identified serious financial management and internal control problems permeating every aspect of the trust management spectrum. These audit and external oversight findings and recommendations have focused on serious internal control problems and variances in program operations ranging from a lack of standardized policies, practices and procedures to the inability to confirm cash balances, and major inadequacies in accounting records and related systems, lack of segregation of duties and deficiencies in field operation and management areas including collections and disbursements of Indian trust funds.

II. Summary of Milestones Due this Quarter:

G. Analyze Weaknesses to Determine Current Status – Resolved/Unresolved.

This milestone was scheduled to be completed by May 30, 2000. This milestone date was met. Each primary bureau responsible for audit reports containing deficiencies or recommendations received follow-up requests and provided responses and updates on the current status of efforts to resolve the issues identified. Responses and/or updates were received from all primary offices by May 30, 2000 including the BIA, MMS, BLM, OIG, and PMB. Coordination and follow-up work continued in June with visits by subproject staff to the primary bureaus and offices to verify the resolution status of each item. Additional research has resulted in identifying several more reports and analyses involving Indian trust activities (over 130 have now been identified). As of the close of this reporting period, most corrective actions had been taken, however, several others remain open. Slightly less than 25 percent of the identified deficiencies either remain outstanding or corrective actions have not been completed. For all open issues, follow-up will continue until all are resolved or until verification that successful completion of other reforms have or will resolve the reported issues or deficiencies. Finally, future internal control/risk management reviews will verify that corrective actions are continuing to prevent any reoccurrence of the previously identified deficiencies.

H. Modify "Treadway" Approach to Interior Situation; Develop Monitoring

Procedures. This milestone was scheduled to be completed by July 31, 2000. This milestone date was met. A draft Risk Management Program Plan was completed by July 26, 2000, and submitted for senior level review. The draft program plan includes 1) the approach for modifying and applying the "Treadway" approach to Interior's Indian trust asset management programs and activities and 2) internal control/risk management program development plans and monitoring procedures to be utilized by the Office of

Risk Management. The draft plan also includes initial budget and resource estimates and implementation schedules.

III. Summary of Ongoing Activities:

I. Inventory and Catalogue Internal Controls in TFAS, TAAMS, MMS. This milestone is scheduled for completion August 31, 2000. Work under this milestone began in June 2000 with initial contacts being made with MMS and the Office of Trust Funds Management to arrange for inventories and commercial review results for the TFAS system.

E. Develop Organization and Staffing Proposal for Trust Risk Offices. This milestone is scheduled for completion December 31, 2000. The documents necessary for formal establishment of the Office of Risk Management within the Office of the Special Trustee for American Indians have been drafted and forwarded for headquarters review.

L. Coordinate Risk Management Program with Revised Trust Policies and Procedures. This milestone is scheduled for completion October 31, 2000. Contacts have been achieved at the staff level to coordinate with the Policy and Procedures team.

IV. Changes/Corrections to the HLIP: None.

**V. Milestone Chart for Internal Controls Subproject
Subproject Manager: Ken Moyers, OST**

<u>Milestone</u>	<u>Schedule</u>	
Milestones due this report cycle (5/1/00 – 7/31/00) are shaded		
A. Develop Inventory of Internal Control Weakness	05/29/98	Completed
B. Catalogue Relevant Audit Findings into Analysis Framework	05/29/98	Completed
C. Research and Select Template for Risk Management Program	02/12/99	Completed
D. Identify and Develop Remediation for Acute Internal Control Weakness.....	06/03/99	Completed
E. Develop Organization and Staffing Proposal for Trust Risk Offices	12/31/00	
F. Map Weaknesses to Current Improvement Efforts.....	04/21/00	Completed
G. Analyze Weaknesses to Determine Current Status-Resolved/Unresolved.....	05/30/00	Completed
H. Modify "Treadway" Approach to Interior Situation; Develop Monitoring Procedures	07/31/00	Completed
I. Inventory and Catalogue Internal Controls in TFAS, TAAMS, MMS	08/31/00	
J. Risk Management Program Final Draft.....	08/31/00	
K. Coordinate with Affected Bureaus/Offices to Develop Action Plans.....	09/30/00	
L. Coordinate Risk Management Program with Revised Trust Policies and Procedures	10/31/00	
M. Publish Final Risk Management Program Handbook	11/30/00	
N. Establish Continuing Risk Management Presence to Prevent Relapses	12/31/00	

Breaches of Trust Identified by the Court: Activity Reports

1. COLLECTION OF MISSING INFORMATION FROM OUTSIDE SOURCES

I. Statement of the Problem:

In the matter of *Cobell v. Babbitt*, the United States District Court for the District of Columbia ordered the Department of the Interior to rectify four areas in which the Court identified breaches of statutory duties declared under the *Indian Trust Fund Management Reform Act of 1994*. This report focuses on the Department's actions to address the first of these areas cited in the Court's Order, holding that the Department must establish written policies and procedures for collecting from outside sources missing information necessary to render an accurate accounting to Individual Indian Monies (IIM) account holders. Although the Order did not define the period to be covered by the directed accounting, the question of scope and nature of the Department's responsibility to render an effective accounting prior to October 25, 1994, the effective date of *the Indian Trust Fund Management Reform Act*, is under appeal. Therefore, this effort focuses on the proposed strategies for collecting missing information, data and documents to meet Interior's statutory obligation for the period following October 25, 1994.

This effort is designed to: 1) describe the nature and extent of IIM trust accounts since passage of the Act; 2) present a logical approach to assess the state of documentation, information and data available necessary for the Department of the Interior to meet its obligations under the Act; 3) identify approaches and options for gathering missing documents, information and data from third parties to supplement the Department of the Interior's present files; and, 4) commence the planning, decision process and programming of personnel and budget resources that will be necessary for the successful gathering and organization of documents, information and data from third parties.

II. Summary of Milestones Due this Quarter:

C. Review Existing Policies for Record Retention Requirements Imposed on External Parties by Internal DOI Bureaus and Offices. This milestone was scheduled to be completed by July 31, 2000. This milestone date has not been met. This milestone is expected to be completed during the next reporting period by October 31, 2000. The delay of completion of this milestone will not have a negative impact on the project. The Office of the Special Trustee for American Indians began reviewing existing policies for record retention regulations and identified several issues affecting other DOI bureaus. For example, actions necessary to render an accounting may impact operations and records retention of several bureaus and organizations having operational and revenue responsibilities involving Indian lands. Most of the revenue to the IIM accounts results from surface leases to use the land and leases to extract

minerals. BLM manages the daily operations and lease compliance for oil production while mineral revenue is collected by MMS. There do exist laws governing record keeping requirements for lessees, operators, payors, and others for mineral operations on Indian lands. *The Federal Oil and Gas Royalty Management Act of 1982* requires these records be kept for six years following production, longer if the Secretary's representatives have so ordered. Due to open audits and other actions, many of the mineral revenue records are required to be kept longer than six years. OST, MMS and the Solicitor's Office discussed the records retention issue on March 3, 2000. Any further discussions should be expanded to consider what options might be available for other lessees of Indian lands and other agencies that will have similar records related issues.

D. Establish Policy on the Documents, Information and Data Required to Perform an Accounting in the DOI Context. This milestone was scheduled to be completed by July 31, 2000. This milestone was met. The Office of Trust Litigation Support and Records (OTLSR) has promulgated policies and procedures regarding the retention of documents, information and data. Administrative and trust financial records and documents supporting transactions have been centralized in Albuquerque, New Mexico. The OTLSR staff have made contacts with BIA regional and field offices to assure federal trust records are safe and available as supporting documentation for an accounting. Workflows have been developed to identify work processes and specific documents that comprise a transaction representing various income types, transfers and disbursements. An analysis of the processes and procedures utilized in performing the daily trust management activities continues to refine evaluation options for account procedures.

E. Assess the Feasibility of Developing a Complete Electronic Transaction History File for IIM Accounts. This milestone was scheduled to be completed by July 31, 2000. This milestone was met. It will be feasible to assemble, using data and information existing for the most part in electronic formats, an electronic transaction history file for IIM account holders for the period October 1994 forward. While exceptions exist and more may surface as attempts to build the files proceed, the bulk of the data and information necessary to continue this effort exists. The electronic transactions that represent the document history for the Office of Trust Funds Management (OTFM) and the BIA are available. An information technology company has been contracted to inventory and develop the requirements analysis necessary to develop an electronic transaction history for IIM accounts. OTFM furnished automated historical files containing transactions and balances (from the Integrated Records Management System (IRMS) the HISTRAN and master files containing account balance information) for the time period of October 1994 through September 1999. OST has requested that the BIA furnish an inventory of current and historical IRMS data files containing information on the source of trust funds. The BIA has offered access to the IRMS system files and assistance in developing the electronic transaction history. OST contractors have begun identifying system files, which may contain needed sources of trust funds data.

III. Summary of Ongoing Activities:

B. Determine the Elements of an Appropriate “Accounting” for IIM Account Holders. This milestone is scheduled to be completed by August 31, 2000. Analysis of the receipt, maintenance and distribution procedures for trust funds have been completed and workflows have been developed. The analysis of a receipt transaction may vary depending on the type of income being studied. For example, the documents used to process income from a forestry operation will differ somewhat from income from rights-of-way, range units, farming and grazing or a commercial business transaction. The income types have been identified and grouped, and workflows completed. Study continues to further define the elements of an appropriate “accounting” for IIM account holders. Feedback generated from the Department’s *Federal Register* of April notice on an historical accounting will be considered in completing this analysis.

IV. Changes/Corrections to the Project Plan:

C. Review Existing Policies for Record Retention Requirements Imposed on External Parties by Internal DOI Bureaus and Offices. This milestone was scheduled to be completed by July 31, 2000. A new milestone date has been proposed whereby this task is expected to be completed during the next reporting period by October 31, 2000

V. Milestone Chart for the Collection of Missing Information from Outside Sources Breach Report
Subproject Manager: Brian Pogue, OST

<u>Milestone</u>	<u>Schedule</u>
Milestones due this report cycle (5/1/00 – 7/31/00) are shaded	
A. Acquire Project Staff and Funding	10/31/00
B. Determine the Elements of an Appropriate “Accounting” for IIM Account Holders.....	08/31/00
C. Review Existing Policies for Record Retention Requirements Imposed on External Parties by Internal DOI Bureaus and Offices	07/31/00 Revised to 10/31/00
D. Establish Policy on the Documents, Information and Data Required to Perform an “Accounting” in the DOI Context	07/31/00 Completed
E. Assess the Feasibility of Developing a Complete Electronic Transaction History File for IIM Accounts	07/31/00 Completed
F. Assess Condition and Status of Documents, Information and Data in DOI’s Possession.....	09/30/00
G. Expand Collection of Missing Information, Documents and Data from 3 rd Parties.....	Ongoing
H. Decision on the Methodology of Researching Missing “Mandatory” Documents in IIM File Folders	09/30/00
I. Initiate a Pilot Using the Chosen Methodology for a Small Sample of IIM Accounts to Assess Effectiveness and Efficiency of Methodology.....	06/30/01
J. Assess Results of Pilot and Elect Course of Action for Addressing the Balance of IIM Trust Accounts.....	07/31/01

2. RETENTION OF IIM-RELATED TRUST DOCUMENTS

(See Report under Subproject 8: Records Management, page 25)

3. COMPUTER AND BUSINESS SYSTEMS ARCHITECTURE FRAMEWORK PLAN

I. Objective:

The objective is to provide the blueprint for defining and mapping business processes within the trust management activity from existing procedures and systems to the new operating environment.

II. Summary of Milestones Due this Reporting Period:

B. Business Model (Preliminary): This task was scheduled to be completed by August 1, 2000 and was accomplished July 28, 2000. The preliminary business model identifies the functions, provides a brief description of each function, and identifies the organization unit that performs each trust management business function. Developing this business model occurred in three steps: 1) documenting the organizational structure as it affects the business activities; 2) identifying and defining the business functions; and 3) distributing the model for review among the business community for comments. The model is stored in an enterprise architecture tool and updates will be automatically coordinated with the Data, Applications, and Technology architectures being built in subsequent phases. Several workshops are scheduled in early September to further review and validate the preliminary model with a larger cross-section of the business community across bureaus and offices. The completed business model, on schedule for completion October 1, 2000, will build on this preliminary work in the tool to provide more comprehensive information related to the trust management business activities.

D. Current Systems & Technology: This task was scheduled to be completed July 1, 2000 and was accomplished by June 29, 2000. This task entailed the development of an Information Resource Catalog (IRC) as the primary deliverable product of this phase of the project. The IRC catalog provides a compilation of operational technology supporting trust management activities, and documents the 70 trust management systems/subsystems in 20 system groups and their relationship to the business processes. Several of the 70 systems/subsystems identified in the IRC already are scheduled for replacement with modern technology. Such on-going development efforts, as well as new technologies, will be further documented during the Application Architecture and the Technology Architecture tasks. The IRC will continually be updated during the duration of the architecture project and tying activities or functions to technology elements or systems is to be accomplished after the business model has been finalized, scheduled for completion October 1, 2000.

III. Changes/Corrections to the Project Plan: None.

IV. Milestone Chart for the Computer and Business Systems Architecture Framework Plan Breach Report
Subproject Manager: Julia Laws, PMB

<u>Milestone</u>	<u>Schedule</u>	
Milestones due this report cycle (5/1/00 – 7/31/00) are shaded		
A. Initiate Trust Management Architecture Project		
A1. Select Planning Team to Prepare Initial Guidance on Architecture Planning.....	01/15/00	Completed
A2. Determine and Establish Organization to Manage Architecture	03/15/00	Completed
A3. Define Scope of Architecture Project.....	02/01/00	Completed
A4. Determine Architecture Methodology	01/18/00	Completed
A5. Gather and Review Reference Documents.....	02/07/00	Completed
A6. Build Electronic Library of Documents.....	03/15/00	Completed
A7. Inventory Applicable Policies and Procedures	03/28/00	Completed
A8. Develop Detailed Work Plan for Architecture Project.....	04/15/00	Completed
A9. Appoint an Overall Architecture Project Manager	02/16/00	Completed
A10. Develop Resource Requirements.....	04/15/00	Completed
B. Business Modeling (Preliminary)	08/01/00	Completed
C. Enterprise Survey (Final Business Model).....	10/01/00	
D. Current Systems & Technology	07/01/00	Completed
E. Data Architecture.....	11/30/00	
F. Applications Architecture.....	01/15/01	
G. Technology Architecture	04/15/01	
H. Implementation Plan	06/01/01	
I. Planning Conclusions – Final Report.....	08/15/01	

4. WORKFORCE PLANNING

I. Objective:

The objectives of this plan are: 1) to ensure adequate staffing requirements and associated funding are reflected in the budget development process to meet the full personnel needs of trust management business functions consistent with statutory requirements; and 2) to ensure workforce planning is done in a timely fashion and that there is consistency, where appropriate, among the organizations.

II. Summary of Milestones Due this Quarter:

G. Strategic Planning: Validate and/or Update Existing Workforce Plans and/or Initiate Process for Developing Detailed Workforce Plans: This milestone was scheduled to be completed by June 1, 2000. This milestone date was met. Through a review of strategic planning documents and reports, Minerals Management Service (MMS) and Office of Special Trustee (OST) workforce planning activities were validated. In conjunction with reengineering the Royalty Management Program, the MMS has completed workforce planning actions and timelines to: 1) determine short-, mid- and long-term training needs to maintain a highly skilled workforce; 2) transition the affected workforce to their new organizational structure; and 3) guide future hiring decisions. The OST's strategic plans provided for improving organizational staffing, training and development, accomplished through a number of initiatives, such as: 1) a *Realignment Study* for the Office of Trust Funds Management (OTFM), Division of Field Operations, 2) a *Cost Analysis Survey*, to analyze the activities and processes performed at OTFM 3) a *Centralization Re-analysis Study* to address the impact of workload on staffing and training after implementation of the new TFAS system; and 4) a comprehensive *Needs Analysis Project* to provide the foundation for staff to receive consistent function and task training and system implementation training.

H. Scan Environment: Analyze Workforce Competencies: This milestone was scheduled to be completed by April 30, 2000. This milestone was reported in the *Second Quarterly Report* as completed, with the exception of an analysis for BLM. That analysis has been completed and the milestone has now been met. The Workload and Staffing Analysis-Phase I Report developed by Macro International identified current trust management staffing by position for the Bureau of Indian Affairs (BIA), Office of Hearings and Appeals (OHA) and the Bureau of Land Management (BLM). This includes total numbers of trust management employees and FTEs and other workforce demographics, such as retirement eligibility and projected turnover. This data is used in projecting staffing needs and in forecasting future staffing requirements. This task is also referred to in the Probate Backlog Subproject portion of this report under milestone H1.

I. Current/Future State: Initial projection of Workforce Needs for FY 2002 Budget Based Upon Analysis of Present Workforce and Develop Budget

Recommendations: This milestone was scheduled to be completed by June 1, 2000. This milestone date was not met. The Macro report provided projected staffing needs

for trust management positions for only the BIA and the OHA. The contractor's report projected increased requirements in FTEs for Fiscal Years 2001 and 2002 for BIA trust management activities and OHA and BIA Probate. However, these projections must be validated before inclusion in official budget recommendations. The validation could not be accomplished until receipt of the contractor's report, which was completed on May 31, 2000. The validation is in progress and the BIA and the OHA will complete their initial projections of workforce needs (and workforce plans) in accordance with the adjusted milestone dates outlined in section III below.

To develop the staffing models for the BIA and OHA organizations, Macro identified, collected and analyzed historical workforce data by area, current individual workload drivers, and other variables that impact projections. Macro was unable to develop models and furnish projected staffing requirements for the BLM because historical workforce/workload metrics for BLM were not readily available during the contractual period. BLM will modify its financial system to correlate with its personnel classifications, which will facilitate projection of staffing needs for its trust management functions during the next phase of the workforce planning project. Milestone 'K' of the Workforce Planning Project Report (February 2000) is being modified to include tasks not yet completed for BLM.

III. Summary of Ongoing Activities:

J. Examine Contractor and Bureau/Office FY 2002 Budget Recommendations:

The contractor's projected staffing needs are being reviewed for inclusion in FY 2002 funding and FTE budget recommendations in line with the instructions from the Office of Management and Budget on FY2002 budget development.

K. Forecast Future: Examine Organizational Objectives and Identify Workforce Competencies Needed to Achieve Them. Discussions are underway to define the data required in the next phase of the Workforce Planning Project. Comments received from bureaus on the contractor's first workforce planning report also are under consideration.

IV. Changes/Corrections to the Project Plan: To provide an adequate time period to analyze and assess the contractor's report during Phase 1 and address remaining requirements for BLM as outlined in milestone I above, new milestone dates are proposed for the Workforce Planning Project. Reference table in section V for new proposed dates.

**V. Milestone Chart for the Workforce Planning Breach Report
Project Manager: Carolyn Cohen, PMB**

<u>Milestone</u>	<u>Schedule</u>	
Milestones due this report cycle (5/1/00 – 7/31/00) are shaded		
A. Conduct Preliminary Workforce Planning Review in Trust Management Organizations and Determine Workforce Planning Requirements and Schedule	02/29/00	Completed
B. Develop Statement of Work and Provide to Contractor	03/13/00	Completed
C. Award Contract.....	03/20/00	Completed
D. Designate Workforce Planning Project Manager and Bureau/Office Planning Team Members	03/20/00	Completed
E. Provide Bureaus/Office Workforce Planning Instructions	03/20/00	Completed
F. Bureaus/Office Kick-off Meetings with Contractor	03/24/00	Completed
For FY 2002 Planning Activities		
G. Strategic Planning: Validate and/or Update Existing Workforce Plans and/or Initiate Process for Developing Detailed Workforce Plans	06/01/00	Completed
H. Scan Environment: Analyze Workforce Competencies	TBD	Completed
I. Current/Future State: Initial Projection of Workforce Needs for FY2002 Budget Based upon Analysis of Present Workforce, and Develop Budget Recommendations	06/01/00	Revised to 10/01/00
J. Examine Contractor and Bureau/Office FY 2002 Budget Recommendations for Submission to OMB, OST/Departmental Budget Office, Refine Recommendations Based on Feedback from OST and OMB.....	02/01/01	
For FY 2003 Planning Activities		
K. Forecast Future: Examine Organizational Objectives and Identify Workforce Competencies Needed to Achieve Them.....	10/30/00	Revised to 01/31/01 ¹
L. Hire Personnel in Accordance with FY 2001 Budgets Appropriated by Congress, Consistent with Existing Workforce Plans	09/30/01	
M. Identify Competency Gaps and Surpluses Based on FY 2001 Appropriations from Congress	12/31/00	Revised to 03/31/01 ¹
N. Develop Plan to Transition from Workforce per the FY 2001 Enacted Budget to Future Workforce	04/30/01	Revised to 05/31/01 ¹
O. Develop Budget Recommendations to Reflect Efficiencies or Further Requirements Identified through Business Process Reengineering and Needed Improvements Based on Other Trust-Related Activities	06/01/01	Revised to 07/01/01 ¹
P. Examine Contractor and Bureau/Office FY 2003 Budget Recommendations for Submission to OMB, OST/Departmental Budget Office, Refine Recommendations Based on Feedback from OST and OMB.....	02/01/02	
Q. Implement Transition Plan Based on Appropriations Obtained from Congress for FY 2002, Monitor Effectiveness and Success;	10/01/01	
Repeat cycle, if necessary, each year		

¹ These revised dates are discussed in the text above.