

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

ELOUISE PEPION COBELL, et al.,)
)
Plaintiffs,)
)
v.)
)
DIRK KEMPTHORNE, Secretary of the)
Interior, et al.,)
)
Defendants.)
_____)

Case No. 1:96cv01285-JR

**NOTICE OF FILING OF INTERIOR DEFENDANTS'
THIRTY-THIRD STATUS REPORT**

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

A copy of the report is attached hereto.

Dated: August 1, 2008

Respectfully submitted,

GREGORY G. KATSAS
Assistant Attorney General
MICHAEL F. HERTZ
Deputy Assistant Attorney General
J. CHRISTOPHER KOHN
Director

/s/ Robert E. Kirschman, Jr.
ROBERT E. KIRSCHMAN, Jr.
Deputy Director
(D.C. Bar No. 406635)
JOHN KRESSE
Trial Attorney
JOHN J. SIEMIETKOWSKI
Trial Attorney
Commercial Litigation Branch
Civil Division
P.O. Box 875
Ben Franklin Station
Washington, D.C. 20044-0875
Phone (202) 514-3368
Fax (202) 514-9163

CERTIFICATE OF SERVICE

I hereby certify that, on August 1, 2008 the foregoing *Notice of Filing of Interior Defendants' Thirty-Third Status Report* was served by Electronic Case Filing, and on the following who is not registered for Electronic Case Filing, by facsimile:

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

/s/ Kevin P. Kingston
Kevin P. Kingston



THE SECRETARY OF THE INTERIOR
WASHINGTON

JUL 3 0 2008

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

Re: Cobell v. Kempthorne – Status Report to the Court Number Thirty-Three

Dear Mr. Kohn:

Enclosed is the Department of the Interior's *Status Report to the Court Number Thirty-Three* (For the Period April 1, 2008 through June 30, 2008). Please forward a copy to the Court.

My signature on this report reflects my reliance on the assurances of those who have compiled the report that the information contained herein is accurate.

Thank you for your assistance.

Sincerely,

DIRK KEMPTHORNE

Enclosure

Status Report to the Court Number Thirty-Three

For the Period
April 1, 2008 through June 30, 2008



August 1, 2008

TABLE OF CONTENTS

INTRODUCTION..... 1

I. OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS..... 2

A. OFFICE OF HISTORICAL TRUST ACCOUNTING 4

B. TRUST SERVICES – CURRENT ACCOUNTING..... 10

C. OFFICE OF TRUST RECORDS 14

D. TRUST ACCOUNTABILITY 16

1. TRUST BUSINESS PROCESS MODELING 16

2. TRUST DATA QUALITY AND INTEGRITY 18

3. INDIAN FIDUCIARY TRUST TRAINING PROGRAM 22

4. RISK MANAGEMENT..... 24

5. TRUST REGULATIONS, POLICIES AND PROCEDURES 26

E. TRUST REVIEW AND AUDIT 28

F. OFFICE OF APPRAISAL SERVICES 30

II. INDIAN AFFAIRS..... 32

A. TRUST REGULATIONS, POLICIES AND PROCEDURES 32

III. BUREAU OF INDIAN AFFAIRS 34

A. FRACTIONATION 34

B. PROBATE 36

IV. OTHER TOPICS 38

A. INFORMATION TECHNOLOGY..... 38

B. CADASTRAL SURVEY 42

C. MINERALS MANAGEMENT SERVICE..... 46

ACRONYMS AND ABBREVIATIONS..... 48

STATUS REPORT TO THE COURT NUMBER THIRTY-THREE

August 1, 2008

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INTRODUCTION

This *Status Report to the Court Number Thirty-Three* (Report) represents the period from April 1, 2008, through June 30, 2008. The Report is presented for the purpose of informing the Court of actions taken since the issuance of the preceding quarterly report. The Report includes delays in and obstacles to trust reform activities. A report on the progress of the historical accounting of individual Indian beneficiary funds managed by Interior is a primary part of the Report.¹

This Report is prepared in a manner consistent with previous reports to the Court. Managers from the Office of Historical Trust Accounting, Office of the Special Trustee for American Indians, Office of the Chief Information Officer, Bureau of Indian Affairs, Bureau of Land Management, and Minerals Management Service submit reports on the status of their respective Indian trust activities.

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

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

August 1, 2008

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I. OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS

Special Trustee's Observations

Farmington Indian Minerals Office

As reported in the *Status Report to the Court Number Thirty-Two*, Interior discovered errors in the distribution of oil and gas proceeds to Indian beneficiaries served by FIMO. OST assisted FIMO with researching the incorrect payments and confirmed that some beneficiaries had been overpaid and others had been underpaid. Adjustments to these accounts are expected to be made before the end of FY2008.

Trust Reforms

I am pleased to report that substantially all of the major trust reforms planned in recent years have now been accomplished and that Indian trust systems have been improved to provide greater accountability to Indian beneficiaries. Examples of some of these reforms are:

The interface of the Trust Funds Accounting System and the Trust Asset and Accounting Management System have facilitated vastly improved accounting of IIM and all tribal trust funds. TAAMS and TFAS link title, encumbrance, income and distribution records and transactions. Using TFAS and TAAMS, OST provides IIM account holders with quarterly statements that meet the statutory requirements to report the source, type and status of funds, together with beginning and ending balances. Every year, OST processes approximately eight million transactions, sends over 750,000 quarterly statements and over 350,000 oil and gas statements to IIM beneficiaries, and collects and distributes approximately \$325,000,000 to IIM account holders.

Interior created the American Indian Records Repository in Lenexa, Kansas, which is operated by NARA. AIRR is a state of the art facility that currently holds approximately 170,000 cubic feet of Indian records. All records stored are indexed at the file folder level and trust records are indexed at the document level. The center has excellent space for researching the records held in storage. OTR occasionally is made aware of records being stored in unsafe conditions and, whenever possible, brings those records to Lenexa for proper storage and remediation.

OST has provided training in trust fund management and trust administration to several thousand BIA, OST, BLM and MMS employees. Records management training has been provided to more than 4,600 BIA, OST and tribal employees. Within Interior, 98 employees have been certified as Indian Fiduciary Trust Specialists.

Other related reforms include the development and operation of the TBCC, a call center that is staffed six days a week to take toll-free calls from trust beneficiaries. Since the TBCC opened in December 2004, call center operators have handled more than 361,000 calls and work closely with trust officers in over 50 locations. OST initiated direct deposit and a debit card program for beneficiaries. OST also established a centralized lockbox system for collections to ensure that

STATUS REPORT TO THE COURT NUMBER THIRTY-THREE

August 1, 2008

Office of the Special Trustee for American Indians

income is collected and distributed as quickly as possible to IIM account holders. An automated risk management and an internal audit program were established. Qualifications of the audits performed since FY2000 have been due to historic issues unrelated to current accounting.

BLM, BIA and OST collaborated to employ a BLM surveyor in each of the twelve BIA regions. Also, the Certified Federal Surveyors Program allows commercial surveyors to conduct surveys throughout Indian Country; 178 surveyors in 39 states have been certified.

Assurance Statement

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

Date: July 28, 2008

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

A. OFFICE OF HISTORICAL TRUST ACCOUNTING

Introduction

OHTA's historical accounting includes all transactions in IIM accounts open on or after October 25, 1994 (the enactment date of the American Indian Trust Fund Management Reform Act), through the earlier of the date of account closure or December 31, 2000. OST has regularly issued account statements to IIM account holders since the end of 2000.

Accomplishments

During this reporting period, data completeness validation tests and interest recalculation work were completed for over 24,475 Land-Based IIM accounts, for a cumulative total of 114,473.

Current Status

System Tests – Confirming Completeness of Land-Based IIM Accounts

Data Completeness Validation - Electronic Ledger

Data completeness validation is a process consisting of multiple tests (Transaction and Disbursement Mapping, Balance Comparison, Account Number Review, and System Conversion Tests).

Transaction Mapping: Confirms whether transfer and reversal transactions posted are in balance within the IIM accounting system (*i.e.*, that no funds are missing from the electronic record). This test is 98.5% complete. During this reporting period, transaction mapping for approximately 557,600 transactions was completed. Approximately 153,600 of these were pre-December 31, 2000, transactions. The number of transactions to map increases each month as transactions are restored to the dataset and new TFAS data are added to the dataset.

Disbursement Mapping: Confirms the status of disbursements issued during the timeframes of the Treasury CP&R System for check payments and the Treasury PACER System for electronic payments. Additionally, this test is used to identify cancelled disbursements which should be re-credited to an IIM account belonging to the same account holder. The mapping of the CP&R data through December 2005 is 99.2% complete and no discrepancies were noted. The mapping of the PACER data through March 2008 is 99.9% complete.

Balance Comparison: Confirms whether transactions included in an HSA correspond to the December 31, 2000, TFAS balance. This test is 100% complete for TFAS data and 88.0% complete for the Electronic Ledger Era IRMS data. During this reporting period, approximately 19,500 out-of-balance accounts were resolved (*i.e.*, the balance and the transactional data now agree).

STATUS REPORT TO THE COURT NUMBER THIRTY-THREE

August 1, 2008

Office of Historical Trust Accounting

Account Number Review: Ensures that OHTA provides the appropriate transactions to each IIM account holder receiving an HSA regardless of whether the account number was reused or changed historically. This test is 99.0% complete. During this reporting period, work continued on identifying new accounts and correcting names for existing accounts.

System Conversion Test: During this reporting period, a preliminary listing of IIM accounts open during the pre-1985 Paper Ledger Era was updated for testing the conversion from paper ledgers to IRMS.

The foregoing tests have identified transactions that did not appear in the IRMS electronic dataset. These transactional data rarely impact account balances. During this reporting period, over 850 Electronic Ledger Era IRMS transactions were restored and approximately 39,000 Electronic Ledger Era IRMS account balances were verified.

Paper Ledger Era

OHTA continues to research and examine IIM Trust Fund records from the Paper Ledger Era to determine the accuracy and reliability of transactions that may be included in HSAs for *Cobell* class members. During a previous reporting period, a sample was drawn from the subpopulation of accounts either known or believed likely to have transactions beginning in the Paper Ledger Era and continuing into the Electronic Ledger Era. The search to locate the paper ledgers for these accounts was continued during the current reporting period at AIRR, the Regional Archives in Ft. Worth, TX, and GPRO (imaging microfiche records).

Additionally, OHTA's accounting firm contractors have continued to review account jacket files and paper ledgers to assess when each sampled IIM account opened. During this reporting period, 51,650 transactions were digitized from the paper ledgers. This process will continue in the next reporting period.

Land-to-Dollars Test

A Land-to-Dollars test determines whether expected revenues documented by surface or subsurface leases are recorded as credits in the IIM Trust Fund systems for the Electronic Ledger Era. As described previously, samples of revenue generating activity in terms of contracts, leases, permits, etc., were selected at Colville, Uintah and Ouray, and Crow Agencies. Using these selected revenues, work continues to determine how different types of revenue can (or cannot) be verified to the appropriate documentation in each case. The priority for working on Land-to-Dollars testing has been lowered, in part, to give higher priority to accounts from the Paper Ledger Era.

Interest Recalculation for Land-Based IIM Accounts

OHTA continued interest recalculation work for Pacific, Rocky Mountain, Northwest, Western, Great Plains, Eastern Oklahoma, Southern Plains and Midwest Region accounts, as well as for all accounts originating after the installation of TFAS. Interest recalculation completed during this reporting period increased the total by 34,537, increasing the total of such tested IIM accounts to 124,555. The accuracy of interest postings are quality-control checked by a professional accounting firm contractor not involved in the recalculation effort.

Judgment and Per Capita IIM Accounts

Results to date are summarized in *Status Report to the Court Number Twenty-Nine*. No further work was conducted on these accounts during this reporting period.

Mailings to Judgment and Per Capita IIM Account Holders

OHTA still awaits approval from the Court to mail 66,130 HSAs to Judgment and Per Capita IIM account holders. This total reflects the submission of three requests from the years 2005 to the present.

OHTA SDA Distribution Project – Undistributed SDA Balances

During this reporting period, OHTA and its contractors' work resulted in the distribution of \$495,293 of SDA balances, raising the total dollars resolved and funds distributed as of June 30, 2008, to \$50.6 million of SDA balances. As of June 30, 2008, a total of 10,761 SDA, involving \$15,881,193, remain to be resolved and funds distributed. Of those SDA, 7,669 (71.2% of the remaining SDA) have balances of less than \$500 each, involving \$636,307 (4% of the remaining dollars).

OHTA's SDA Project demonstrates that the residual SDA balance clean-up work results in only about a third of SDA funds belonging to IIM account holders. OHTA's work has confirmed that there has been a long-standing policy of crediting into the IIM Trust Fund monies never intended for individual Indians. Among other evidence, the below table demonstrates that the IIM Trust Fund has been used to receive non-IIM account related monies.

STATUS REPORT TO THE COURT NUMBER THIRTY-THREE

August 1, 2008

Office of Historical Trust Accounting

OHTA SDA DISTRIBUTION PROJECT (1)

SDA Resolved Dollars	Transfer to Tribal Accounts	Transfer to IIM Accounts	Paid to Non-Indian, Third Party and Other (2)	Total
Dollars resolved as of March 31, 2008	\$16,523,955	\$16,324,737	\$17,212,512	\$50,061,204
Dollars resolved from April 1, 2008 through June 30, 2008	\$96,245	\$235,606	\$244,272	\$576,123
Total	\$16,620,200	\$16,560,343	\$17,456,784	\$50,637,327

Note (1) Includes historic SDA principal and interest postings through the date of distribution (i.e., total distribution amounts). Figures do not include any prospective SDA principal and/or associated interest.

Note (2) Includes transfers to Treasury, account reclassifications, transfers to the Federal Finance System.

Imaging/Coding - Individual Indian Trust Documents

During this reporting period, OHTA completed imaging 819,790 IIM document pages, coding 115,874 IIM documents and loading 93,519 IIM documents into ART. As of June 30, 2008, ART contained 11.7 million coded IIM images and 9.7 million coded tribal images. The coded images to date total 21.4 million, constituting 3.8 million IIM and tribal documents.

Paper Ledger Era

OHTA completed the digitization of 67,533 records of Paper Era Ledgers this reporting period in order to generate a list of Paper Ledger Era transactions that will be sampled for reconciliation.

OHTA's Federal Records Management

OHTA delivered an electronic copy of the ART electronic system to NARA for pre-accessioning on March 7, 2008. NARA is conducting pre-accession testing to determine whether it can support the data for permanent preservation. This testing may take several months. If accepted by NARA, the system will be formally accessioned.

Delays and Obstacles

OHTA responds to information needs of SOL and the Department of Justice in the *Cobell v. Kempthorne* litigation as well as the 96 tribal trust cases pending in multiple federal courts. As a result, other OHTA work has received lower priority and fewer resources.

STATUS REPORT TO THE COURT NUMBER THIRTY-THREE

August 1, 2008

Office of Historical Trust Accounting

Assurance Statement

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

Date: July 31, 2008

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

August 1, 2008

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B. TRUST SERVICES – CURRENT ACCOUNTING

Introduction

Current accounting activities focus on: (a) special deposit accounts; (b) whereabouts unknown accounts; and (c) small balance accounts.

a. Special Deposit Account Activity

Current Status

BIA has the responsibility for distribution of SDA funds received since January 1, 2003 (prospective receipts). During this reporting period, there were 12 receipt transactions posted to SDA.

Current SDA are those which cannot be distributed due to pending appeals of range rates (\$234,179.94), SOL opinions (\$115,110.82) and cadastral surveys (\$12,566.08).

b. Whereabouts Unknown Accounts

Current Status

Priority continues to be placed on securing current addresses for account holders of the rolling top 100 highest dollar balance WAU accounts. During this reporting period, 11 of the top 100 WAU accounts, with combined account balances of approximately \$1,437,808, were updated with current addresses.

During this reporting period, 8,737 accounts with a combined balance of \$3.5 million were added to the WAU list, while 7,137 accounts with a combined balance of \$6.6 million were updated with current addresses.

As of June 30, 2008, there were 82,974 WAU accounts with a combined balance of \$72.7 million. IIM accounts coded as WAU earn interest in the same manner as all other IIM accounts. The following table illustrates the number of accounts stratified by account balance and WAU category.

STATUS REPORT TO THE COURT NUMBER THIRTY-THREE

August 1, 2008

Trust Services – Current Accounting

Account Balance	Correspondence/ Check Returned	Account Setup/No Address	Awaiting Address Confirmation	Refused/ Unclaimed Mail	Total
Equal to or over \$100,000	13	7	0	0	20
Under \$100,000 and equal to or over \$50,000	35	13	0	0	48
Under \$50,000 and equal to or over \$5,000	2,411	772	3	1	3,187
Under \$5,000 and equal to or over \$1,000	5,836	1,497	0	4	7,337
Under \$1,000 and equal to or over \$100	9,509	3,431	8	4	12,952
Under \$100 and equal to or over \$1	17,187	6,104	16	11	23,318
Under \$1	13,694	22,372	38	8	36,112
Total	48,685	34,196	65	28	82,974

OST was reconnected to the Internet on June 2, 2008. OST Field Operations is exploring options for utilizing on-line tools in the search for WAU account holders.

c. Small Balance Accounts

Current Status

As of June 30, 2008, 18,700 accounts had a \$.01 - \$1.00 balance with no activity for the previous 18 months. The total in those accounts was \$5,323.25. Statements are sent to account holders for these accounts on an annual basis pursuant to direction from Congress.

STATUS REPORT TO THE COURT NUMBER THIRTY-THREE

August 1, 2008

Trust Services – Current Accounting

Assurance Statements

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

Date: July 23, 2008

Name: *Signature on File*
Bryan Marozas
Program Manager, Trust Beneficiary Call Center
Office of the Special Trustee for American Indians

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

Date: July 24, 2008

Name: *Signature on File*
Margaret Williams
Deputy Special Trustee, Trust Accountability
Office of the Special Trustee for American Indians

August 1, 2008

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C. OFFICE OF TRUST RECORDS

Introduction

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

The American Indian Records Repository, located in Lenexa, Kansas, was built by Interior in collaboration with NARA for the purpose of consolidating and preserving Indian records at one NARA regional records center.

Accomplishments

American Indian Records Repository

Approximately 3,088 boxes of inactive records were moved from BIA and OST field locations to the Lenexa Annex for indexing during this reporting period. Indexing of approximately 176,570 boxes has been completed as of the end of this reporting period. 169,942 indexed boxes have been sent to AIRR for permanent storage.

Training

OTR provided records management training for 185 BIA and OST records contacts and 120 tribal employees during this reporting period. OTR provides records management training to Tribes as they request training.

Current Status

Records Retention Schedules

OTR continued to work with NARA, BIA and OST on the records retention schedules for six BIA and one OST electronic records systems, providing information on the systems as requested by NARA.

Delays and Obstacles

Court orders in tribal litigation cases continue to restrict movement of records to AIRR, which limits Interior's ability to consolidate Indian records in a central location, thus hindering its ability to provide records to parties in litigation.

STATUS REPORT TO THE COURT NUMBER THIRTY-THREE

August 1, 2008

Office of Trust Records

Assurance Statement

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

Date: July 17, 2008

Name: *Signature on File*

Ethel J. Abeita

Director, Office of Trust Records

Office of the Special Trustee for American Indians

D. TRUST ACCOUNTABILITY

1. TRUST BUSINESS PROCESS MODELING

Introduction

Interior is working to build a highly effective fiduciary trust services organization by implementing the business objectives contained in the Comprehensive Trust Management Plan. The CTM laid the groundwork for the development of the Fiduciary Trust Model. The FTM is being implemented to transform the current trust business processes into more efficient, consistent, integrated and fiscally responsible business processes that meet the needs and priorities of the beneficiaries.

Implementation of the FTM is a collaborative effort of BIA, OST, BLM, MMS and OHA, and is integrated with Interior's other trust reform initiatives.

Accomplishments

OST and BIA completed conversion from the TFR module to the new TAAMS invoicing and distribution module. The conversion has improved efficiency by streamlining the invoicing process and allowing for income to automatically distribute to beneficiaries on a timelier basis.

Current Status

Reengineering staff continued to provide technical support in identifying system requirements for various modules within TAAMS and production of inquiry reports.

Reengineering staff continued to review and edit regulations included in Phase III of the Regulatory Initiative. These regulations include leasing, grazing, rights-of-way, trespass and land title and records. Editing for Subchapter 200 – Energy and Minerals was completed, and the subchapter now is being reviewed by SOL.

Reengineering staff have been trained in the BIA National Indian Oil and Gas Evaluation and Management System. This program will be used to produce spatial reports in support of the oil and gas leasing activity on the Ft. Berthold Reservation in North Dakota.

Reengineering staff continued to provide technical support for conversion of RDRS to the oil and gas royalty management module within TAAMS, including identification of additional system requirements. Focus has been on the revised Explanation of Payments for individual Indian mineral owners, and modifications to the Quarterly Asset Statement that will allow for a detailed comparison of EOP data against property ownership.

Updated versions of the minerals handbooks were delivered to SOL for final review.

STATUS REPORT TO THE COURT NUMBER THIRTY-THREE

August 1, 2008

Trust Business Process Modeling

Assurance Statement

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

Date: July 24, 2008

Name: *Signature on File*
Margaret Williams
Deputy Special Trustee, Trust Accountability
Office of the Special Trustee for American Indians

2. TRUST DATA QUALITY AND INTEGRITY

Introduction

The success of trust reform depends, in part, on the accuracy of data generated from the maintenance of trust assets, ownership of trust assets, distribution of trust income, and management of trust accounts. The DQ&I project focuses on three primary initiatives.

The first initiative is assisting BIA with document encoding into TAAMS. On September 30, 2007, BIA completed conversion to TAAMS Leasing, which is used to manage trust land activity. BIA previously completed its conversion to TAAMS Title, which is used to record Indian title activity.

The second initiative involves the validation and correction of CDE to their respective source documents. CDE are defined as those trust data elements that are needed to provide: (1) timely and accurate payments to beneficiaries; (2) timely and accurate transaction listings and asset inventories to beneficiaries; and (3) effective management of the assets. Examples of CDE are beneficiary name, account number, tract identification number, and land ownership interests.

The third initiative is implementation of a Post-QA review process. The Post-QA review process helps to ensure the ongoing accuracy of CDE by comparing TAAMS document encoding to the respective source input document.

Accomplishments

During this reporting period, TPMC's contractors completed:

Encoding

Encoding land title correction documents for GPRO LTRO (240).

Encoding range permits (87) and deeds (398) for Colville Agency.

Encoding 4,195 land tracts (Bristol Bay 1,760 and Doyon 2,435) in TAAMS for ARO LTRO (4,195).

Encoding land tracts in TAAMS for EORO LTRO (3,136).

Encoding legal documents (2,383) and Lot 999 variance sheets (346) for the Confederated Salish-Kootenai Tribes (Flathead Agency).

Global ID number encoding, reported as ongoing during the last reporting period, should have been reported as completed for NWRO LTRO.

STATUS REPORT TO THE COURT NUMBER THIRTY-THREE

August 1, 2008

Trust Data Quality and Integrity

Research

- Researching title histories for Colville Agency tracts (412).
- Researching land ownership interest variances for Taholah Agency (38,395).
- Preparing probate modifications for SWRO LTRO (534).

Current Status

TPMC's contractors continued to assist BIA with TAAMS Leasing post-conversion and TAAMS Title cleanup efforts by:

- Encoding 129 (cumulative total 836) trust deeds for NWRO LTRO.
- Encoding 46 (cumulative total 364) ID numbers and ten (cumulative total 91) probate orders for PRO LTRO. In the last reporting period, the probate order documents were misreported as trust deed documents. The cumulative total figure was also understated by 64.
- Encoding 12 ROW for Pima Agency (cumulative total 72).
- Researching landowner ID numbers for the Ft. Yuma Agency (987) (cumulative 1,838), PRO LTRO (100) (cumulative total 1,822), and SWRO LTRO (474) (cumulative total 3,559).
- Preparing probate modifications for Western Nevada Agency (166) (cumulative total 854).
- Encoding 595 Artic Slope land tracts for ARO LTRO.
- Encoding 223 (cumulative total 1,519) expired documents and 72 ROW for the Confederated Salish-Kootenai Tribes (Flathead Agency).
- Encoding 17 land title documents for the Confederated Salish-Kootenai Tribes (Flathead Agency).
- Encoding 229 Global ID number updates for SPRO LTRO.
- Encoding 255 (cumulative total 428) surface leases for SWRO LTRO.
- Transcribing legal land descriptions for Uintah & Ouray Agency (569) (cumulative total 803) and Western Nevada Agency (138).
- Conducting Post-QA review of 16,876 transactions encoded into the trust systems during the reporting period for a cumulative total of 215,674.

OST contractors continued to analyze and document the cumulative impacts on beneficiary accounts that resulted from incorrect FIMO RDRS distributions, as reported in the previous report to the court.

STATUS REPORT TO THE COURT NUMBER THIRTY-THREE

August 1, 2008

Trust Data Quality and Integrity

Assurance Statement

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

Date: July 28, 2008

Name: *Signature on File*

John E. White

Trust Reform Officer, Trust Accountability

Office of the Special Trustee for American Indians

August 1, 2008

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3. INDIAN FIDUCIARY TRUST TRAINING PROGRAM

Introduction

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

Current Status

During this reporting period, Cannon Financial Institute presented:

- One *Indian Fiduciary Trust Principles* course to 28 employees of OST, BIA and Tribes. Completion of this course, passing an exam and reviewing a DVD entitled *Fiduciary Concepts* are requirements of the *Certified Indian Fiduciary Trust Analyst* certification.
- One specialty course to 10 employees of OST, BIA and Tribes. The specialty course, *Asset Management*, is part of the *Certified Indian Fiduciary Trust Specialist* certification program.

During this reporting period, OST training staff conducted 8 training sessions for 97 employees from OST, BIA and contractors on the use of TFAS and related systems and reporting programs that include:

- CSS – used to enter, approve and post cash transactions;
- Stratavision – contains daily, weekly and monthly reports from OST systems for viewing by OST and BIA staff;
- Historical Query Database – contains account transaction history going back to 1985; and
- TAAMS invoicing and distribution module – used for tracking lockbox receipts.

OST and BIA staff presented three *Trust Fundamentals* courses to 106 employees of OST, BIA, OHA and Tribes. This course includes such topics as the history and policy of Indian trust, current trust reform activities, job roles and responsibilities, and organization and working relationships.

Assurance Statement

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

Date: July 23, 2008

Name: *Signature on File*
Dianne M. Moran
Director, Office of Trust Training
Office of the Special Trustee for American Indians

August 1, 2008

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4. RISK MANAGEMENT

Introduction

The Deputy Special Trustee, Trust Accountability is responsible for overseeing OST's risk management program, which is implemented by the Trust Program Management Center. TPMC risk management staff identify and document OST programs, policies, procedures and processes, both trust and administrative activities. TPMC staff also develop, operate and maintain risk-based management tools to support and monitor the risk levels and implementation of corrective actions. In addition, TPMC staff facilitate program reviews, which include testing of program operations, financial reports, and compliance with the law. These reviews provide the basis for OST's interim and annual statements of assurance.

Accomplishment

In a collaborative effort with OST, BIA, MMS and BLM completed testing of key controls for FY2008 to support Interior's interim and annual statements of assurance for trust.

Current Status

OST is completing testing of its key controls for FY2008. OST continues to develop its FY2008 methodology and plan for the testing of program operations' efficiency and effectiveness, financial reporting reliability, and compliance with laws and regulations. These tests and reviews support the self-assessments and will provide the basis for OST's interim and annual statements of assurance.

OST's FY2008 FMFIA and A-123 self-assessment testing has begun. During this reporting period, 22 corrective action plans from FY2007 were closed, resulting in a total of 25 open corrective action plans as of June 30, 2008. The open corrective actions plans are expected to be resolved during FY2008. None of the corrective actions plans are expected to impact the trust funds financial statement.

Assurance Statement

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

Date: July 23, 2008

Name: *Signature on File*
John Constable
Program Analyst
Office of the Special Trustee for American Indians

August 1, 2008

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5. TRUST REGULATIONS, POLICIES AND PROCEDURES

Introduction

The Office of Trust Regulations, Policies and Procedures was established on April 21, 2003, to assist Interior in establishing “consistent, written policies and procedures for trust fund management and accounting,” as stated in the 1994 Act. OTP oversees and facilitates the development, promulgation and coordination of trust-related regulations, policies, procedures and other materials to guide the proper discharge of Interior’s fiduciary responsibilities. OTP is separate from the Office of Regulatory Management, AS-IA. ORM activities are reported in the Indian Affairs section of the report to the Court.

Current Status

- Revisions to OST’s Privacy Act disclosure statement were completed and sent to the Interior Privacy Act Officer for review and publication in the Federal Register.
- OTP has identified for rescission or amendment certain delegations of authority affecting Field Operations. A similar review of delegations of authority affecting Trust Services is expected to be completed during the next reporting period.
- OTP compiled a draft for the Trust Beneficiary Call Center handbook, and program revisions are currently being incorporated.

Assurance Statement

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

Date: July 23, 2008

Name: *Signature on File*
John Marshall, Acting Director
Office of Trust Regulations, Policies and Procedures
Office of the Special Trustee for American Indians

August 1, 2008

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E. TRUST REVIEW AND AUDIT

Introduction

OTRA reports directly to the Special Trustee for American Indians. OTRA was created by OST as a response to trust initiatives developed during the tribal consultation process of 2002. OTRA conducts performance audits, examinations and reviews of Interior entities as well as Tribes that perform fiduciary trust activities. Examinations are routinely conducted at locations that perform trust operations, resulting in a performance rating. Also, compliance reviews are undertaken in response to information and complaints received from beneficiaries, employees and the public.

Current Status

Indian Trust Examinations

During this reporting period, OTRA performed ten Indian trust examinations. OTRA issued seven draft reports and two advisory memorandums, nine final Indian trust examination reports, and two final follow-up corrective action reports. Of the nine final Indian trust examination reports issued, six offices were rated “satisfactory,” and three offices were rated “in need of improvement.”

For those offices rated “in need of improvement,” OTRA reported 19 findings in four component areas:

- Asset Management – one finding involving real estate services.
- Compliance – ten findings involving agriculture and range management, executive direction, forestry, grazing, oil and gas, rights-of-way, and environmental compliance.
- Management – two findings involving grazing permits.
- Operations – six findings involving agricultural leasing, cash management, land operations and grazing, and supervised accounts.

Records Assessments

The records assessment is a focused evaluation of records maintenance and security. OTRA completed four trust records assessments and 27 follow-up reviews on the status of corrective action implementation. OTRA issued five final records management assessment reports and 32 records management follow-up reports.

Compliance/Investigative Reviews

During this reporting period, OTRA received one allegation/inquiry relating to trust operations and initiated an investigative review.

OTRA issued six inquiries seeking the status of corrective actions recommended from examinations performed in prior reporting periods.

Assurance Statement

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

Date: July 17, 2008

Name: *Signature on File*

Julene Theis

Deputy Director, Office of Trust Review and Audit

Office of the Special Trustee for American Indians

F. OFFICE OF APPRAISAL SERVICES

Introduction

The Office of Appraisal Services is responsible for Indian land valuations required by various regulations governing Indian trust lands. To meet these requirements, an appraisal or other valuation method is used to determine fair market value of Indian lands.

Accomplishments

During this reporting period, OAS completed 2,022 real estate appraisals. One hundred ninety-three of these appraisals were completed in the Great Plains Region using the mass-appraisal system, ATLAS. ATLAS provides for reliable and efficient appraisal services in regions with a high demand for appraisals related to sales and agricultural leases.

In support of ILCP, OME evaluated 9,120 parcels during this reporting period.

Compliance reviews led by NBC-ASD staff are conducted to ensure compliance with applicable professional standards and appraisal policies and procedures in OAS and ASD. During this reporting period, a compliance review of the Midwest Region was completed.

A new Deputy Chief Appraiser for OAS was hired during this reporting period.

Current Status

The Special Trustee decided that OAS will implement the Appraisal Request and Review Tracking System (ARRTS) currently being used by the Interior Appraisal Services Directorate. This is a web-based system that provides tracking and reporting capabilities for both the appraisal providers and requesting bureaus and offices. It will be the only means of requesting valuation services.

The NBC continues to work on establishing indefinite-delivery, indefinite-quantity appraisal contracts for a number of appraisal offices throughout Indian Country. These contracts are expected to be available for use in the next fiscal year, and to result in a more effective and efficient contracting process.

STATUS REPORT TO THE COURT NUMBER THIRTY-THREE

August 1, 2008

Office of Appraisal Services

Appraisal Backlog

For this reporting period, the “backlog” includes appraisal requests that contain all required supporting documentation and are more than 90 days old. The backlog also includes requests for review of appraisals performed by compacted and contracted Tribes that are more than 30 days old. Counting methodologies vary from region to region. The appraisal backlogs as reported by the regions are as follows:

Region	Appraisal Backlog As of 3/31/08	Appraisal Backlog As of 06/30/08
Northwest	387	423
Rocky Mountain	443	668
Midwest	86	69
Western	8	8
Southwest	33	24
Eastern Oklahoma	72	30
Navajo	51	2
Pacific	19	25
Alaska	94	113
Eastern	2	23
Southern Plains	30	27
Great Plains	1,339*	2,216*
TOTAL	2,564	3,628

*This number includes requests (majority are ILCP related) that have been initiated, approved, accepted, and submitted for completion using ATLAS.

Assurance Statement

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

Date: July 30, 2008

Name: *Signature on File*
Debra J. Meisner
Director, Administrative Operations
Office of Appraisal Services

II. INDIAN AFFAIRS

A. TRUST REGULATIONS, POLICIES AND PROCEDURES

Introduction

The Office of Regulatory Management in the Office of the Assistant Secretary – Indian Affairs is responsible for review and revision of all regulations governing Interior’s management of Indian trust. ORM is separate from OST's Office of Trust Regulations, Policies and Procedures, whose activities are reported in the OST section of the *Status Report to the Court*.

Current Status

Reconnection of the Internet has greatly improved ORM staff’s ability to communicate efficiently with the Office of the Executive Secretariat, SOL, departmental staff, OMB and NARA. Reconnection has also enabled ORM to research statutes and department manuals in a time-efficient manner.

Regulatory Initiative – Phase I of the Regulatory Initiative involves the promulgation of regulations related to probate, probate hearings and appeals, tribal probate codes, life estates and future interests in Indian land, and conveyances of trust or restricted land.

During this reporting period, SOL determined that it needed additional time to review 25 CFR part 152 related to conveyances of trust and restricted land. For this reason, this part has been removed from the Phase I package. ORM is moving forward with finalizing the remaining CFR parts, which are related to probate, probate hearings and appeals, tribal probate codes, and life estates and future interests in Indian land (collectively, “probate-related regulations”). To prepare these CFR parts for finalization, ORM collected all final comments from SOL and OHA, subjected the CFR parts to several editorial reviews, and initiated the Interior approval process. ORM expects to have the final rule for the probate-related regulations ready for OMB review by the third quarter of CY2008.

Phase II includes the Trust Fund Accounting and Appeals regulations. During this reporting period, OMB established a deadline for proposing rules intended to become final rules by the end of CY2008. Because it was not possible to meet the deadline, ORM expects to propose these rules during the third or fourth quarter of CY2008.

Phase III includes tribal consultation and promulgation of regulations affecting leasing, grazing, rights-of-way, trespass and land title and records. Interior now expects to begin consultation with Tribes on preliminary drafts of these regulations in the fourth quarter of CY2008.

25 CFR 200 to 207 – Minerals Leasing, Development, Exploration and Reclamation – These new CFR parts will reorganize and update current provisions related to leasing, development and exploration of minerals to increase user friendliness. Subject matter experts within Interior are drafting these changes, but have encountered legal issues requiring close review by the SOL. It

STATUS REPORT TO THE COURT NUMBER THIRTY-THREE

August 1, 2008

Trust Regulations, Policies and Procedures

is now anticipated that at least one additional workgroup meeting will be necessary. For this reason, the subject matter experts do not expect to have a draft complete until the fourth quarter of CY2008.

Assurance Statement

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

Date: July 20, 2008

Name: *Signature on File*

Michele F. Singer

Director, Office of Regulatory Management

Office of the Assistant Secretary – Indian Affairs

III. BUREAU OF INDIAN AFFAIRS

A. FRACTIONATION

Introduction

Fractionation of Indian trust and restricted land results from the federal Indian policy of the 19th century. Fractionation occurs as land passes from one generation to the next, an increasing number of heirs or devisees acquire an undivided interest in the land. This is a complex and potentially emotion-charged issue, due primarily to cultural differences, historical legacy and family associations of the present owners with the original Indian owners of those lands. Efforts to address this complex issue are coordinated primarily through the BIA Indian Land Consolidation Office, which seeks to help Tribes make use of the opportunities offered by the Indian Land Consolidation Act, as amended in 2004. ILCO is operating several acquisition projects that purchase undivided interests in highly fractionated tracts and transfer title to the Tribes.

Accomplishments

A total of 20 reservations located in six BIA Regions have participated in ILCP.

During this reporting period, ILCP acquired 5,024 fractional interests and 6,112.92 acre-equivalents.

Of the total interests acquired, 85% were interests of less than 2% ownership in the respective tracts of land.

Tribes acquired majority ownership in 51 tracts during this reporting period (7,709 total tracts).

Tribes also acquired 100% ownership in 10 additional tracts. As a result of ILCP purchases, Tribes now have 100% ownership of 428 total tracts.

Current Status

- ILCP has implemented program close-out activities and projects due to budget elimination in FY2009.
- ILCP is currently conducting an audit of all acquired fractionated interests. The audit will verify landowner intent, sales information, and confirm that ownership changes have been made to TAAMS Title. The audit is expected to be completed by the end of the first quarter of FY2009.

Delays and Obstacles

- Probate and LTRO backlogs and *Youpee* issues continue to impede acquisitions.
- The funding for the ILCP has been eliminated in the President's FY2009 budget request.

STATUS REPORT TO THE COURT NUMBER THIRTY-THREE

August 1, 2008

Fractionation

Assurance Statement

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

Date: July 17, 2008

Name: *Signature on File*

Robert R. Jaeger

Director, Indian Land Consolidation Office

Bureau of Indian Affairs

B. PROBATE

Introduction

BIA, OHA and OST must coordinate their work to complete the probates of Indian estates. Information on the status of probates is contained within the ProTrac system. Each BIA regional office and corresponding agency is responsible for encoding new cases, examining “initial load” cases and making corrections.

Current Status

Case Preparation

Case preparation is the initial stage of the probate process. During this stage information is researched and gathered regarding the identity and whereabouts of potential heirs, and an inventory of the trust assets of an estate is prepared. According to ProTrac, 7,727 probate cases are in the case preparation stage.

Case Adjudication

Depending on the complexity of the case, probates are adjudicated by OHA Administrative Law Judges, Indian Probate Judges, or Attorney Decision Makers. According to ProTrac, 5,460 probate cases are in the case adjudication stage. As reported by OHA, deciding officials received 1,772 cases and issued decisions in 1,724 cases. OHA reported 3,796 cases pending.

Case Closure

Cases in the closing stage are ones that have been adjudicated but not updated in TFAS, LTRO or the Lease Distribution System. According to ProTrac, there are 1,952 cases in the closing stage, and 2,551 cases were closed during this reporting period.

Financial Case Closure

Financial case closure is the posting and recording of ownership and distribution of assets after the case has been adjudicated. OST reported that it distributed funds and closed 2,432 accounts in TFAS during this reporting period representing 2,390 estates. As of the end of June 30, 2008, TFAS contained 33,106 open estate accounts, which is a decrease of 285 from the 33,391 estate accounts at the end of the last reporting period.

STATUS REPORT TO THE COURT NUMBER THIRTY-THREE

August 1, 2008

Probate

Delays and Obstacles

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

- Continued fractionation of ownership of Indian lands; and
- Cultural differences regarding the subject of death and funerals.

Assurance Statement

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

Date: July 23, 2008

Name: *Signature on File*
Adelita Guerue, Acting Director
Probate Division
Office of Trust Services
Bureau of Indian Affairs

IV. OTHER TOPICS

A. INFORMATION TECHNOLOGY

Introduction

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

Accomplishments

Computer Security:

Interior continues to make progress in enhancing IT security through improvements to security monitoring processes and the re-Certification & Accreditation of systems. The most noteworthy accomplishments during the reporting period are described below.

Prevention and Monitoring:

ESN perimeter security controls, which are the first line of defense, successfully blocked over one million network attacks during the reporting period.

Policies and Guidance:

On May 6, 2008, the Interior CIO issued “Wireless Network Security and Lifting of the Prohibition on Use of Wireless Network Technology” to the Assistant Secretaries, heads of bureaus and offices, bureau and office CIOs, and BCISOs. This memorandum establishes the policy handbook Access Controls Wireless Access Restrictions section as the authoritative policy over two previous directives.

Current Status

Reconnection Planning:

On May 14, 2008, the Court vacated the December 17, 2001, IT Security Consent Order. On May 16, 2008, the Associate Deputy Secretary approved the reconnection of SOL, OHA, OST, and BIA, as well as the connection of OHTA, to the Internet. The bureaus were connected to the Internet on the following dates:

- SOL: May 21, 2008
- BIA: May 22, 2008
- OST: May 23, 2008
- OHA: May 27, 2008
- OHTA: May 27, 2008

Plan of Action and Milestones:

Interior continues to identify, prioritize, track and correct security weaknesses using the POA&M process. This process includes the proactive identification of weaknesses through self-assessments, independent financial audits and findings based on OIG reports. In order to prioritize resources and remediation efforts, the risk level of each weakness is rated as high, medium or low.

- During this reporting period, Interior reported to OMB that 129 weaknesses were eliminated and 337 new weaknesses were identified and added. These weaknesses reflect only trust systems at each of the trust bureaus and offices.
- At the end of this reporting period, there are 704 weaknesses associated with Trust systems. Of the 541 open weaknesses, 36 (5%) are rated high, 332 (47%) are rated medium and 336 (48%) are rated low.

A-130 Certification and Accreditation:

All trust systems are tracked in DEAR and have full ATO or IATO status. During this reporting period:

- IATO was granted after the re-C&A of TFAS.
- Full ATO was renewed after the re-C&A of the Foundation Information for Real Property Management System.

Training and Awareness:

Interior is on schedule for the August 15, 2008, target date for the completion of the 2008 Role-Based Security Training and Security Awareness training as required by FISMA.

Reports:

These reports were among those issued during this reporting period.

- GAO issued the following report that relates to information security across all federal agencies: “Critical Infrastructure Protection: Further Efforts Needed to Integrate Planning for and Response to Disruptions on Converged Voice and Data Networks.”
- The House Committee on Oversight and Government Reform issued the 2007 FISMA report card. Interior was one of nine agencies to receive an “F” grade.

Delays and Obstacles

Like other federal agencies, Interior must address many challenges regarding the integration, performance, funding, security, and data integrity of IT systems. Interior initiated or completed steps to address some of the challenges reported in this and previous reporting periods. However, delays and obstacles listed below impede progress in achieving Interior’s IT management goals.

STATUS REPORT TO THE COURT NUMBER THIRTY-THREE

August 1, 2008

Information Technology

Staffing

Interior continues to experience high staff and management turnover in critical IT positions, particularly IT security. The BLM BCISO position remained vacant at the end of this reporting period.

Funding and Resources

- Limited congressional appropriations have impacted the ability of Interior to fill personnel vacancies, complete projects and meet deadlines.
- As previously reported in the *Status Report to the Court Number Thirty-Two*, court orders requiring bureaus and offices to maintain email backup tapes for indefinite periods require the acquisition and maintenance of an extremely large volume of expensive backup tape media. This cost burden of approximately \$1.7 million per year on Interior bureaus and offices has diverted funding from other Interior programs.

Assurance Statement

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

Date: July 23, 2008

Name: *Signature on File*

Michael J. Howell, Jr.

Department of the Interior Chief Information Officer

August 1, 2008

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B. CADASTRAL SURVEY

Introduction

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

Accomplishments

Reconnection to the Internet

With the reconnection to the Internet, communications and service delivery between BLM, BIA, OST and SOL have improved. BLM's communication and production has increased with the ability to send email between the various agencies.

Inventory of Cadastral Needs

During this reporting period, BLM and BIA focused on developing an FY2009, FY2010 and FY2011 nationwide inventory of requests for cadastral survey services in Indian Country. BIA requested approximately 1,300 survey services with an estimated cost of \$145.6 million for FY2009, FY2010 and FY2011. The survey services requested for each year are as follows: FY2009, 599 requests at an estimated cost of \$58.4 million; FY2010, 394 requests at an estimated cost of \$34.3 million; and FY2011, 311 requests at an estimated cost of \$52.8 million. BLM and BIA are using CARS to determine the highest priority survey request and to support distribution of the planned appropriation of \$10.7 million for survey services to be performed during FY2009.

Survey Production

BLM approved a total of 69 completed survey projects in Indian Country during this reporting period. These surveys produced 79 plats, 455 miles of survey line and an additional 1,150 survey monuments in Indian Country.

Certified Federal Surveyor Program

The BLM Cadastral Program deployed the CFedS program in FY2007. During this reporting period:

- There are 402 professional land surveyors enrolled currently in the CFedS training program, and 178 CFedS currently certified. There now are 45 states represented with licensed surveyors either enrolled or certified in the program.
- The Secretary sent a letter to each Tribe announcing the launch of the CFedS program. He encouraged each Tribe to take advantage of this program by utilizing CFedS' for their surveying purposes when appropriate.
- BLM distributed the informational video on the CFedS program to current CFedS, BIA and Tribes.
- The CFedS web site had approximately 56,000 visits, over 375,000 pages were viewed, and the "Finding a CFedS" page received 36,000 inquiries.

Current Status

Implementation of the FTM

BLM and BIA continue collecting data for the pilot project areas, which will be used to determine the feasibility of spatially mapping and displaying CGIS data residing in TAAMS. BLM completed its primary tasks for the pilot and is assisting BIA in the evaluation of existing GIS technologies and its integration with TAAMS. Due to contract delays and issues related to establishment of the National Geospatial Reference Center, completion for this pilot is expected by the end of the fourth quarter of FY2008.

Delays and Obstacles

Funding of the FTM

Proper planning, scheduling and implementation of future FTM work are dependent on funding. The reduced level of funding and delay in enacting Interior's FY2008 appropriation continued to impact negatively the implementation of the FTM initiatives. Planning survey projects involves long-term commitment of professional services. Uncertainty of funding impacts the planning for resources, which increases overall costs.

STATUS REPORT TO THE COURT NUMBER THIRTY-THREE

August 1, 2008

Cadastral Survey

Assurance Statement

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

Date: July 28, 2008

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

August 1, 2008

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C. MINERALS MANAGEMENT SERVICE

Introduction

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

Accomplishment

Indian Oil Valuation Rule

MMS expects to address issues regarding the “major portion” calculation for oil produced from Indian leases in a negotiated rulemaking committee. A notice to solicit nominations to the committee and to request comments on the initiative was published in the Federal Register on April 28, 2008. The committee is expected to convene after membership nominations have been accepted and selections made.

Overpayments to Allottees

On June 26, 2008, Interior mailed to Navajo individual Indian mineral owners approximately 320 checks containing oil and gas royalty overpayments totaling \$31,246.28. The overpayments ranged from \$.01 to \$ 2,170.64 with 182 owners receiving overpayments of \$10 or more and 19 owners receiving overpayments of \$500 or more. The overpayment was the result of an error made by Conoco/Phillips when it submitted a royalty report transferring a recoupable balance. OST, MMS, FIMO and BIA are working together to rectify the situation and ensure that established controls are operating correctly to prevent this type of error from occurring again.

Assurance Statement

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

Date: July 28, 2008

Name: *Signature on File*

Richard J. Adamski
Chief of Staff
Minerals Revenue Management
Minerals Management Service

August 1, 2008

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ACRONYMS AND ABBREVIATIONS

1994 Act (or Act) 2007 Plan	American Indian Trust Fund Management Reform Act of 1994 Plan for Completing the Historical Accounting of Individual Indian Money Accounts
A-123	Office of Management and Budget Circular A-123, Management's Responsibility for Internal Control
A-130	Office of Management and Budget Circular A-130 Appendix III
ACSM	American Congress on Surveying and Mapping
ADM	Attorney Decision Makers
AFMSS	Automated Fluid Mineral Support System
AIMS	ActivCard Identity Management System
AIPRA	American Indian Probate Reform Act
AIRR	American Indian Records Repository
ALIS	Alaska Land Information System
ALJ	Administrative Law Judges
ARO	Alaska Region office
ARRTS	Appraisal Request and Review Tracking System
ART	Accounting Reconciliation Tool
AS-IA	Assistant Secretary-Indian Affairs
ASD	Appraisal Services Directorate
ASM	Accounting Standards Manual
ATLAS	AgWare Trust Land Appraisal System
ATO	Authority to Operate
BIA	Bureau of Indian Affairs
BIAM	Bureau of Indian Affairs Manual
BILS	BLM Indian Lands Surveyors
BISS	Box Index Search System
BITSM	Bureau Information Technology Security Manager
BLM	Bureau of Land Management
BOR	Bureau of Reclamation
BPA	Blanket Purchase Agreement
BRM	Business Reference Model
C&A	Certification and Accreditation
CARS	Cadastral Automated Request System
CBS	San Carlos Irrigation Continental Billing System
CDE	Critical Data Elements
CFedS	Certified Federal Surveyor
CFI	Continuous Forest Inventory
CGI	Software vendor successor to TAAMS vendor
CGIS	Cadastral Geographic Information Systems
CI Manual	Coding and Imaging Manual
CIFTA	Certified Indian Fiduciary Trust Analyst
CIFTS	Certified Indian Fiduciary Trust Specialist
CIO	Chief Information Officer

STATUS REPORT TO THE COURT NUMBER THIRTY-THREE

August 1, 2008

Acronyms and Abbreviations

CIRC	Computer Incidents Response Center
CISO	Chief Information Security Officer
CISSP	Certified Information System Security Professional
CITE	Certified Indian Trust Examiners
CMS	Credential Management System
COTS	Commercial off-the-shelf
CP&R	Check Payment and Reconciliation
CPIC	Capital Planning and Investment Control
CREUMS	Colorado River Electrical Utility Management System
CSIRC	Computer Security Incident Response Capability
CSIRT	Computer Security Incident Response Team
CSS	Customer StrataStation
CTM	Comprehensive Trust Management Plan
DAA	Designated Approving Authority
DEAR	DOI Enterprise Architecture Repository
DDoS	Distributed Denial of Service
DLRM	DOI Land and Resource Management
DM	Departmental Manual
DMZ	De-Militarized Zone
DNS	Domain Name Server
DOI	Department of the Interior
DOP	Desk Operating Procedure
DoS	Denial of Service
DQ&I	Data Quality and Integrity
DRM	Data Reference Model
EA	Enterprise Architecture
ENA	Eastern Navajo Agency
EOP	Explanation of Payments
EORO	Eastern Oklahoma Region office
ERA	Electronic Records Era
ERO	Eastern Region office
ESN	Enterprise Services Network
ETP	Enterprise Transition Plan
FAMS	Facilities Asset Management System
FAR	Federal Acquisition Regulation
FBMS	Financial Business Management System
FFMIA	Federal Financial Management Improvement Act
FIMO	Farmington Indian Minerals Office
FIPS	Federal Information Processing Standards
FISMA	Federal Information Security Management Act
FMFIA	Federal Managers' Financial Integrity Act
FOIA	Freedom of Information Act
FRC	Federal Records Center
FRD	Functional Requirements Document
FTM	Fiduciary Trust Model

STATUS REPORT TO THE COURT NUMBER THIRTY-THREE

August 1, 2008

Acronyms and Abbreviations

FTO	Fiduciary Trust Officer
FWS	U.S. Fish and Wildlife Service
GAO	Government Accountability Office
GCDB	Geographic Coordinate Data Base
GIS	Geographic Information System
GLO	General Land Office
GLADS	Great Lakes Agency Database System
GPRO	Great Plains Region office
GPS	Global Positioning System
GSA	General Services Administration
GSS	General Support Systems
HSA	Historical Statement of Account
HSPD-12	Homeland Security Presidential Directive 12
IAM	Indian Affairs Manual
IATO	Interim Approval to Operate
ICR	Internal Control Review
ICRs	Information Collection Requests
IEA	Interior Enterprise Architecture
IFTR	Indian Fiduciary Trust Records
IG	Inspector General
IIM	Individual Indian Money
IITD	Individual Indian Trust Data
ILCA	Indian Land Consolidation Act
ILCO	Indian Land Consolidation Office
ILCP	Indian Land Consolidation Project
IM	Instruction Memorandum
IMDA	Indian Mineral Development Act
InfoDat	Indian Forestry Database
Interior	Department of the Interior
IP	Internet Protocol
IPJ	Indian Probate Judges
IPS	Intrusion Protection System
IPv6	Internet Protocol Version 6
IQCS	Incidence Qualification and Certification System
IRM	Information Resources Management
IRMS	Integrated Records Management System
IRN	Isolated Realty Network
IRS	Internal Revenue Service
ISSDA	Indian Service Special Disbursing Agents
ISA	Information Security Assessment
ISIT	Internal Security Improvements Team
IT	Information Technology
ITARS	Indian Trust Appraisal Request Tracking System
ITIMS	Integrated Transportation Information Management System
ITRS	Indian Trust Rating System

STATUS REPORT TO THE COURT NUMBER THIRTY-THREE

August 1, 2008

Acronyms and Abbreviations

IV&V	independent verification and validation
LAN	Local area network
LCTS	Land Consolidation Tracking System
LMS	Learning Management System
LR2000	Legacy Rehost 2000 System
LRIS	Land Records Information System
LTIC	Land Tenure in Indian Country
LTRO	Land Titles and Records Office
MA	Major Application
MAD/LCP	Management Accounting Distribution/Land Consolidation Program
MADS	Management Accounting Distribution System
MMD	Missing Mandatory Documents for Unrestricted Accounts
MMS	Minerals Management Service
MOU	Memorandum or Memoranda of Understanding
MRM	Minerals Revenue Management
MRMSS	Minerals Revenue Management Support System
MWRO	Midwest Region office
NARA	National Archives and Records Administration
NBC	National Business Center
NFR	Notice of Findings and Recommendations
NILS	National Integrated Lands System
NIPTC	National Indian Programs Training Center
NIOGEMS	National Indian Oil and Gas Evaluation and Management System
NIRMC	National Information Resource Management Center
NIST	National Institute of Standards and Technology
NORC	National Opinion Research Center
NPS	National Park Service
NRO	Navajo Region office
NWRO	Northwest Region office
O&G	Oil and Gas
OAS	Office of Appraisal Services
OCIO	Office of the Chief Information Officer
OHA	Office of Hearings and Appeals
OHTA	Office of Historical Trust Accounting
OIG	Office of the Inspector General
OIP	Office of Information Policy
OISP	Office of IT Security and Privacy
OME	Office of Minerals Evaluation
OMB	Office of Management and Budget
ORM	Office of Regulatory Management
OSM	Office of Surface Mining
OST	Office of the Special Trustee for American Indians
OTFM	Office of Trust Funds Management
OTP	Office of Trust Regulations, Policies and Procedures
OTR	Office of Trust Records

STATUS REPORT TO THE COURT NUMBER THIRTY-THREE

August 1, 2008

Acronyms and Abbreviations

OTRA	Office of Trust Review and Audit
PACER	Payments, Accounting, Claims and Enhanced Reconciliation System
PAR	Performance and Accountability Report
PII	Personally Identifiable Information
PIV	Personal Identity Verification
PLSS	Public Land Survey System
PMB	Policy, Management and Budget
PMSO	Project Management Support Office
POA&M	Plans of Actions and Milestones
Post-QA	Post Quality Assurance
PPA	Office of Planning and Policy Analysis
PRIS	Production and Response Information System
PRO	Pacific Region office
ProTrac	Probate Case Management and Tracking System
QA	Quality Assurance
QC	Quality Control
RAF	Recommended Action Forms
RAS	Rangeland Administration System
RDRS	Royalty Distribution and Reporting System
REM	Real Estate Module
RFP	Request for Proposal
RM-PLUS	Risk Management Assessment/Evaluation tool
RMRO	Rocky Mountain Region office
ROCIS	Regulatory Information Service Center/Office of Information Regulatory Affairs Consolidated Information
ROW	Rights-of-Way
SANS	SysAdmin, Audit, Network, Security
SCADA	Supervisory Control and Data Acquisition
SDA	Special Deposit Accounts
SDLC	System Development Life Cycle
SMEs	Subject Matter Experts
SMS	System Management Servers
SOL	Office of the Solicitor
SPRO	Southern Plains Region office
SSA	Social Security Administration
SSAS	Social Services Automated System
SSM	System Security Manager
SSP	System Security Plan
ST&E	Security Test and Evaluation
Statements	Historical Statements of Account
STIGs	Security Technical Implementation Guides
SUS	System Update Servers
SWRO	Southwest Region office
TAAMS	Trust Asset and Accounting Management System
TAP	Technical Architecture Profile

STATUS REPORT TO THE COURT NUMBER THIRTY-THREE

August 1, 2008

Acronyms and Abbreviations

TBCC	Trust Beneficiary Call Center
TESC	Trust Executive Steering Committee
TFAS	Trust Fund Accounting System
TFR	Trust Fund Receivable
TPMC	Trust Program Management Center
TRAC	Trust Tracking and Coordination
Treasury	Department of the Treasury
TRM	Technical Reference Model
TRO	Temporary Restraining Order
UAT	User Acceptance Testing
US-CERT	United States Computer Emergency Readiness Team
USGS	United States Geological Survey
USPAP	Uniform Standards of Professional Appraisal Practice
VBNS	Very High Performance Backbone Network Service
VPN	Virtual Private Network
WAN	Wide area network
WAU	Whereabouts Unknown
WRO	Western Region office