

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-FOURTH STATUS REPORT**

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

A copy of the report is attached hereto.

Dated: November 3, 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  
Commercial Litigation Branch  
Civil Division  
P.O. Box 875  
Ben Franklin Station  
Washington, D.C. 20044-0875  
Phone (202) 616-2238  
Fax (202) 307-0494

CERTIFICATE OF SERVICE

I hereby certify that, on November 3, 2008 the foregoing *Notice of Filing of Interior Defendants' Thirty-Fourth 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/ James St. John  
\_\_\_\_\_  
James St. John



THE SECRETARY OF THE INTERIOR  
WASHINGTON

OCT 29 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-Four*

Dear Mr. Kohn:

Enclosed is the Department of the Interior's *Status Report to the Court Number Thirty-Four (for the Period July 1, 2008 through September 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-Four

---

For the Period  
July 1, 2008 through September 30, 2008



November 3, 2008

---

**TABLE OF CONTENTS**

**INTRODUCTION..... 1**

**I. OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS..... 3**

**A. OFFICE OF HISTORICAL TRUST ACCOUNTING ..... 5**

**B. TRUST SERVICES – CURRENT ACCOUNTING..... 11**

**C. OFFICE OF TRUST RECORDS ..... 15**

**D. TRUST ACCOUNTABILITY ..... 17**

**1. TRUST BUSINESS PROCESS MODELING ..... 17**

**2. TRUST DATA QUALITY AND INTEGRITY ..... 19**

**3. INDIAN FIDUCIARY TRUST TRAINING PROGRAM ..... 23**

**4. RISK MANAGEMENT..... 25**

**5. TRUST REGULATIONS, POLICIES AND PROCEDURES ..... 27**

**E. TRUST REVIEW AND AUDIT ..... 29**

**F. OFFICE OF APPRAISAL SERVICES ..... 31**

**II. INDIAN AFFAIRS..... 33**

**A. TRUST REGULATIONS, POLICIES AND PROCEDURES ..... 33**

**III. BUREAU OF INDIAN AFFAIRS ..... 35**

**A. FRACTIONATION ..... 35**

**B. PROBATE ..... 37**

**IV. OTHER TOPICS ..... 39**

**A. INFORMATION TECHNOLOGY..... 39**

**B. CADASTRAL SURVEY ..... 41**

**C. MINERALS MANAGEMENT SERVICE..... 43**

**ACRONYMS AND ABBREVIATIONS..... 45**

***STATUS REPORT TO THE COURT NUMBER THIRTY-FOUR***

***November 3, 2008***

---

***THIS PAGE INTENTIONALLY BLANK***

**INTRODUCTION**

This *Status Report to the Court Number Thirty-Four* (Report) represents the period from July 1, 2008, through September 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.<sup>1</sup>

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.

---

<sup>1</sup> 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.

**November 3, 2008**

---

***THIS PAGE INTENTIONALLY BLANK***



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

**Special Trustee's Observations**

This Report contains general information on the implementation of the many trust reform projects discussed in my previous "Observations." Of particular interest to the Court, may be the report from OHTA. In this report, the Court will find the work being done to resolve many special deposit accounts, the continued research into past paper records to support the on-going accounting and the testing of systems to determine their accuracy.

In addition, the Current Accounting section reports on the status of OST's efforts to maintain approximately 400,000 accounts, most of which have very little income and/or very small balances.

Other sections of this Report provide information on the day-to-day work of Interior regarding the Indian trust.

**Assurance Statement**

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

Date: October 29, 2008

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

**November 3, 2008**

---

***THIS PAGE INTENTIONALLY BLANK***

**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, as described below, were completed for 35,415 Land-Based IIM accounts, for a cumulative total of 149,888 Land-Based accounts. Thus, OHTA has completed work on Electronic Ledger Era transactional data necessary to create 149,888 Historical Statements of Account in accordance with the time frame specified in the May 31, 2007 Historical Accounting Plan for Individual Indian Money Accounts.<sup>2</sup>

Version No. 9 of the *Accounting Standards Manual* has been issued.

**Current Status**

***Electronic Ledger Era***

**Data Completeness Validation: Confirming Completeness of Land-Based IIM Accounts Through System Tests**

Data completeness validation is a process consisting of multiple tests (Transaction and Disbursement Mapping, Balance Comparison, Account Number Review, and System Conversion Tests). During this reporting period, nine interim reports were issued by OHTA's contractor. These included an overall report on the status of all work performed through September 30, 2008, as well as eight detailed reports on the work performed in eight BIA regions covered by the dataset.

**Transaction Mapping:** Confirms whether transfer and reversal transactions are correctly posted within the IIM accounting systems (*i.e.*, that no transactions are missing from the electronic record). This test is 98.7% complete. During this reporting period, transaction mapping for approximately 2,097,800 transactions was completed. Of these, 29,400 were pre-December 31, 2000, transactions. The number of transactions that require mapping increases as IRMS

---

<sup>2</sup> Because some of these accounts originated in the Paper Ledger Era, compilation and testing of those transactions remains to be done. As provided in the 2007 Plan, those account holders would receive a second HSA for the Paper Ledger Era transactions. In addition, OHTA expects to reconcile a statistical sample of transactions restored to the dataset through the DCV work described below, which could result in changes to some HSAs.

## **STATUS REPORT TO THE COURT NUMBER THIRTY-FOUR**

**November 3, 2008**

**Office of Historical Trust Accounting**

---

transactions are restored to the dataset and current period TFAS transactions 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. The mapping of the CP&R data through April 30, 2006, is 99.4% complete. The mapping of the PACER data through March 31, 2008, is 100% complete and no discrepancies were found during this reporting period. Disbursement Mapping is updated as data are received from Treasury on current check and EFT disbursements.

Balance Comparison: Confirms whether transactions that would be included in an HSA correspond to the December 31, 2000, TFAS balance. This test is 100% complete for TFAS data and 88.3% complete for the IRMS data. During this reporting period, 160 out-of-balance accounts were resolved so that the December 31, 2000, balance and the transactional data now agree.

Account Number Review: Ensures that OHTA provides the appropriate transactions to each IIM account holder who would receive an HSA regardless of whether the account number was reused or changed historically. This test is 99.9% complete. During this reporting period, work continued on identifying new accounts and identifying when an account number has been reused historically and/or an account has multiple names but was owned by a single individual. The number of transactions reviewed increases as IRMS transactions are restored to the dataset and current period TFAS transactions are added to the dataset.

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

The foregoing tests were designed to and have identified transactions which were in the original IRMS electronic dataset but were not available in the electronic database provided by OST to OHTA. These transactional data rarely impact the current account balances. During this reporting period, over 2,600 Electronic Ledger Era IRMS transactions were restored and approximately 31,100 Electronic Ledger Era IRMS account balances that had been transferred to TFAS were verified.

### **Land-to-Dollars Test**

The Land-to-Dollars test determines whether expected revenues documented by surface or subsurface leases are recorded as revenue credits in the IIM accounting systems for the Electronic Ledger Era. There was no activity on this test during this reporting period. The priority for working on Land-to-Dollars testing has been lowered, in part, to give higher priority to Paper Ledger Era historical accounting activities.

**Interest Recalculation for Land-Based IIM Accounts**

The objective of interest recalculation is to provide a detailed estimate of the interest that should have been posted to an account, applying the same interest distribution policies that BIA and OST used historically. The interest recalculation also serves as an additional data completeness test since missing transactions in the dataset would cause an exception in the interest recalculation. The recalculated interest is then compared to the actual posted interest to identify variances.

OHTA continued interest recalculation work for Pacific, Rocky Mountain, Northwest, Western, Great Plains, Eastern Oklahoma, Southern Plains and Midwest Region IIM accounts, as well as for all IIM accounts originating after the installation of TFAS. Interest recalculation was completed during this reporting period for 25,335 IIM accounts, increasing the total of such tested Land-Based IIM accounts to 149,890 within all 12 BIA regions. The accuracy of interest postings is quality-control checked by a professional accounting firm contractor not involved in the interest 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. OHTA still awaits approval from the Court to mail 66,130 HSAs to Judgment and Per Capita IIM account holders.

***Paper Ledger Era***

**Reconstruction of Paper Ledger Era IIM Accounts**

OHTA continues to research and examine IIM records from the Paper Ledger Era to determine the accuracy and reliability of transactions that should be included in HSAs for *Cobell* class members.

During this reporting period, OHTA's contractor finalized its report on OHTA's 2007 Pilot Test performed to provide information on the processes for constructing and testing the Paper Ledger Era transactions. This Pilot Test was exploratory in nature and designed to provide information on the time and effort required to construct the paper ledgers for digitizing into an electronic dataset and to identify and locate supporting documents needed to reconcile Paper Ledger Era transactions.

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. Additionally, OHTA's accounting firm contractors have continued to review account jacket files and paper ledgers to assess when each sampled IIM account opened and when the reconstruction of the Paper Ledger Era account activity has been completed.

**Reconciliation of Paper Ledger Era Accounts**

To conduct a “Proof-of-Concept,” a pilot sample of non-interest transactions was drawn from reconstructed Land-Based IIM accounts in the Southern Plains Region. OHTA’s contractors began to reconcile these sampled transactions in accordance with the *Accounting Standards Manual*. This process is expected to continue in the next reporting period.

The purpose of the Proof-of-Concept is to demonstrate that the supporting documents can be found for transactions in the Paper Ledger Era, and to develop the processes needed for the reconciliation of these transactions. (This initial pilot sample does not represent the final transaction sample for the Southern Plains Region.)

A sample of non-interest transactions from reconstructed sampled accounts was also drawn from the Alaska Region during this reporting period. The work in Alaska can proceed without the results of the Southern Plains pilot sample because the Alaska accounts involve a relatively small number of similar transactions. OHTA’s contractors began to reconcile these sampled transactions in accordance with the *Accounting Standards Manual*. This process is expected to continue in the next reporting period.

***OHTA SDA Distribution Project – Undistributed SDA Balances***

During this reporting period, work by OHTA and its contractors resulted in the distribution of \$623,291 of SDA balances, raising the total dollars resolved and funds distributed as of September 30, 2008, to \$51.5 million of SDA balances. As of September 30, 2008, a total of 10,713 SDA, involving \$15,257,902, remain to be resolved and distributed. Of those SDA, 7,650 (71.3% of the remaining SDA) have balances of less than \$500 each, involving \$633,628 (4% of the remaining dollars).

As reflected in the table below, OHTA’s distribution of residual SDA balance has shown that only about one-third of SDA funds belonged to IIM account holders. OHTA’s work has also confirmed that, historically, Interior credited monies into the IIM accounting systems that were never intended for individual Indians.

**STATUS REPORT TO THE COURT NUMBER THIRTY-FOUR**

**November 3, 2008**

**Office of Historical Trust Accounting**

---

**OHTA SDA DISTRIBUTION PROJECT (1)**

<b>SDA Resolved Dollars</b>	<b>Transfer to Tribal Accounts</b>	<b>Transfer to IIM Accounts</b>	<b>Paid to Non-Indian, Third Party and Other (2)</b>	<b>Total</b>
Dollars resolved as of June 30, 2008	\$16,620,209	\$16,560,343	\$17,456,784	\$50,637,336
Dollars resolved from July 1, 2008, through September 30, 2008	\$89,683	\$531,883	\$228,440	\$850,006
Total Dollars Distributed	\$16,709,892	\$17,092,226	\$17,685,224	\$51,487,342
Percent of Dollars Distributed	32.5%	33.2%	34.3%	100%

Note (1) Includes historic SDA principal and interest postings through the date of distribution (*i.e.*, total distribution amounts).

Note (2) Includes transfers to Treasury, account reclassifications, transfers to non-Indian parties and transfers to Interior's Federal Finance System.

***Imaging/Coding - Individual Indian Trust Documents***

During this reporting period, OHTA completed imaging 421,449 IIM pages, coding 164,227 IIM documents and loading 138,001 IIM documents into ART. As of September 30, 2008, ART contained 12.1 million coded IIM images and 10.1 million coded tribal images. The 22.2 million coded images to date constitute 4.1 million IIM and tribal documents.

OHTA completed the digitization of 31,100 transactions from 18,918 records of Paper Era Ledgers during this reporting period in order to generate a list of Land-Based IIM account transactions that will be sampled for reconciliation.

***OHTA's Federal Records Management***

OHTA delivered an electronic copy of the ART 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 has not been completed by NARA and may take several additional months. If accepted by NARA, the ART data 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-FOUR**

**November 3, 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-Four*. The information provided in this section is accurate to the best of my knowledge.

Date:           October 30, 2008

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



**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 15 receipt transactions posted to SDA.

Current SDA are those which cannot be distributed due to pending appeals of range rates and mineral leases (\$331,994.81), SOL opinions (\$79,834.63) and cadastral surveys (\$10,611.66).

**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, 12 of the top 100 WAU accounts, with combined account balances of approximately \$1.27 million were updated with current addresses.

During this reporting period, 7,313 accounts with a combined balance of \$2.6 million were added to the WAU list, while 6,614 accounts with a combined balance of \$7.8 million were updated with current addresses.

As of September 30, 2008, there were 83,673 WAU accounts with a combined balance of \$72.1 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-FOUR****November 3, 2008****Trust Services – Current Accounting**

<b>Account Balance</b>	<b>Correspondence/ Check Returned</b>	<b>Account Setup/No Address</b>	<b>Awaiting Address Confirmation</b>	<b>Refused/ Unclaimed Mail</b>	<b>Total</b>
Equal to or over \$100,000	15	9	0	0	24
Under \$100,000 and equal to or over \$50,000	40	18	0	1	59
Under \$50,000 and equal to or over \$5,000	2,297	758	3	1	3,059
Under \$5,000 and equal to or over \$1,000	5,993	1,534	0	4	7,531
Under \$1,000 and equal to or over \$100	9,146	3,508	9	7	12,670
Under \$100 and equal to or over \$1	16,827	6,378	18	21	23,244
Under \$1	13,310	23,718	41	17	37,086
<b>Total</b>	<b>47,628</b>	<b>35,923</b>	<b>71</b>	<b>51</b>	<b>83,673</b>

**c. Small Balance Accounts****Current Status**

As of September 30, 2008, 19,355 accounts had a \$.01 - \$1.00 balance with no activity for the previous 18 months. The total in those accounts was \$5,498.21. Statements are sent to account holders for these accounts on an annual basis pursuant to direction from Congress.

**This section continues on the next page.**

**STATUS REPORT TO THE COURT NUMBER THIRTY-FOUR**

**November 3, 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-Four*. The information provided in this subsection is accurate to the best of my knowledge.

Date: October 16, 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-Four*, and this information is accurate to the best of my knowledge.

Date: October 17, 2008

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

*November 3, 2008*

---

*THIS PAGE INTENTIONALLY BLANK*

## **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 2,800 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 181,895 boxes have been completed as of the end of this reporting period. 173,815 indexed boxes have been sent to AIRR for permanent storage.

#### **Training**

OTR provided records management training for 188 BIA and OST records contacts and 44 tribal employees during this reporting period. OTR provides records management training to Tribes as they request training.

### **Current Status**

#### **Records Retention Schedules**

The Archivist of the United States approved the records schedule for a BIA electronic records system, the National Irrigation Information Management System, on September 10, 2008.

### **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-FOUR**

**November 3, 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-Four*. The information provided in this section is accurate to the best of my knowledge.

Date: October 16, 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.

**Current Status**

Reengineering staff continued to provide technical support for identifying system requirements for various modules within TAAMS and production of inquiry reports. Reengineering staff are currently testing a beta version of the trust portal which contains TAAMS and TFAS data and associated reports. This updated version is expected to allow end users to acquire data without impacting system resources.

Reengineering staff also continued to provide technical support for conversion of RDRS to an oil and gas royalty management module within TAAMS, including identification of additional system requirements.

As a result of the significant increase in oil and gas activity on the Fort Berthold Reservation, reengineering staff developed guidelines for Fort Berthold Agency employees and lessees on how to conduct oil and gas business. Reengineering staff continued to provide mapping support generated through NIOGEMS, indicating graphically where each company is leasing and where allotted or tribal tracts yet to be leased are located.

Reengineering staff completed editing the draft BIA LTRO handbook. The handbook is expected to be delivered to BIA during the next reporting period.

***STATUS REPORT TO THE COURT NUMBER THIRTY-FOUR***

**November 3, 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-Four*. The information provided in this section is accurate to the best of my knowledge.

Date: October 17, 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 Arctic Slope Regional Corporation land tracts (655) for ARO LTRO.
- Encoding land title documents (17) and plat survey documents (15) for the Confederated Salish and Kootenai Tribes (Flathead Agency).
- Encoding legal land descriptions (924) for the NWRO LTRO.
- Encoding encumbrance documents for the Eastern Nevada (47), Papago (49), Uintah and Ouray (7), and Western Nevada (37) Agencies.
- Encoding ROW for Pima Agency during the last reporting period.

#### **Research**

- Transcribing legal land descriptions for Uintah and Ouray (847), Western Nevada (138), and Papago (22) Agencies.
- Researching landowner ID numbers was completed for the Ft. Yuma Agency during the last reporting period.

## ***STATUS REPORT TO THE COURT NUMBER THIRTY-FOUR***

**November 3, 2008**

**Trust Data Quality and Integrity**

---

TPMC's contractor also completed analysis and documentation of the cumulative impacts on the IIM accounts (795) affected by the incorrect FIMO RDRS distributions related to eighteen oil and gas leases. Documentation was prepared and provided so that BIA could initiate collection proceedings against those IIM account holders who were overpaid. IIM accounts that were underpaid were made whole with BIA-appropriated funds.

### **Current Status**

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

- Encoding 82 (cumulative total 918) trust deeds for NWRO LTRO.
- Encoding 178 (cumulative total 542) ID numbers and 219 (cumulative total 310) probate orders for PRO LTRO.
- Researching 1,358 (cumulative total 3,180) landowner ID numbers for PRO LTRO and 709 (cumulative total 4,268) for SWRO LTRO.
- Preparing 215 (cumulative total 1,069) probate modifications for Western Nevada Agency.
- Encoding 1,104 Nana Regional Corporation land tracts for ARO LTRO.
- Expiring 849 (cumulative total 2,368) duplicate documents and encoding 792 (cumulative total 864) ROW for the Confederated Salish and Kootenai Tribes (Flathead Agency).
- Encoding 56 (cumulative total 285) Global ID number updates for SPRO LTRO.
- Encoding 43 (cumulative total 469) surface leases, 394 variance sheets, and 1,843 landowner ID numbers for SWRO LTRO. The contractor, in reconciling the surface lease activity, determined the cumulative total was overstated by two in the previous report.
- Encoding 19 surface leases for Colorado River Agency.
- Encoding five business leases, four homesite leases, and 24 ROW for Northern Pueblos Agency.
- Conducting Post-QA review of 23,628 transactions (cumulative total 239,302) encoded into TAAMS.

**STATUS REPORT TO THE COURT NUMBER THIRTY-FOUR**

**November 3, 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-Four*. The information provided in this section is accurate to the best of my knowledge.

Date: October 22, 2008

Name: *Signature on File*

John E. White

Trust Reform Officer, Trust Accountability

Office of the Special Trustee for American Indians

*November 3, 2008*

---

***THIS PAGE INTENTIONALLY BLANK***

### **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: Two specialty courses to 44 employees of OST, BIA and Tribes. The specialty courses, Asset Management and Trust Accounting are part of the *Certified Indian Fiduciary Trust Specialist* certification program.

During this reporting period, OST training staff conducted four training sessions for 32 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 five *Trust Fundamentals* courses to 168 employees of OST, BIA, BLM, MMS, contractors 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-Four*. The information provided in this section is accurate to the best of my knowledge.

Date: October 16, 2008

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

**November 3, 2008**

---

***THIS PAGE INTENTIONALLY BLANK***

**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 tests and reviews provide the basis for OST's interim and annual statements of assurance.

**Accomplishment**

OST completed testing its key controls for FY2008, as well as testing program operations for efficiency and effectiveness, financial reporting reliability, and compliance with laws and regulations.

OST's FY2008 FMFIA and A-123 self-assessments were completed. In addition, all remaining FY2007 RM-PLUS corrective action plans were closed.

**Current Status**

Risk management staff is in the initial stages of planning programmatic changes to risk management content for various programs, as well as in the development phases for the collaborative testing of key controls for OST, BIA, MMS and BLM for FY2009.

As a result of the FY2008 self-assessments, 38 RM-PLUS corrective action plans remain open.

**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-Four*. The information provided in this section is accurate to the best of my knowledge.

Date: October 22, 2008

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

**November 3, 2008**

---

***THIS PAGE INTENTIONALLY BLANK***



**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**

- The revised OST Privacy Act disclosure statement was approved by the Interior Privacy Act Officer and is currently under review by SOL.
- Programmatic delegations of authority affecting Field Operations were issued during the reporting period.
- A review of existing delegations of authority affecting Trust Services was completed. Revised delegations were drafted and are expected to be finalized during the next reporting period.
- Final drafts of the Trust Beneficiary Call Center policy and handbook are currently in program review and are expected to be published during the next reporting period.

**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-Four*. The information provided in this section is accurate to the best of my knowledge.

Date: October 17, 2008

Name: *Signature on File*

John Marshall, Acting Director  
Office of Trust Regulations, Policies and Procedures  
Office of the Special Trustee for American Indians

**November 3, 2008**

---

***THIS PAGE INTENTIONALLY BLANK***

**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 conducted eight Indian trust examinations and six follow-up reviews on the status of corrective action implementation. OTRA issued four draft reports, seven final Indian trust examination reports, and one final follow-up corrective action report. All seven of the final Indian trust examination reports issued rated the offices as “satisfactory.”

**Records Assessments**

The records assessment is a focused evaluation of records maintenance and security. OTRA completed 12 follow-up reviews on the status of corrective action implementation. OTRA issued one final records management assessment report and ten records management follow-up reports.

**Compliance/Investigative Reviews**

OTRA issued 18 inquiries seeking the status of corrective actions recommended in previous 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-Four*. The information provided in this section is accurate to the best of my knowledge.

Date: October 16, 2008

Name: *Signature on File*

Don Chambellan

Acting Director, Office of Trust Review and Audit

Office of the Special Trustee for American Indians

*November 3, 2008*

---

***THIS PAGE INTENTIONALLY BLANK***

**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**

OAS completed 1,929 real estate appraisals, 251 of which were completed in the Great Plains Region using the mass-appraisal system, ATLAS. In support of ILCP, OME evaluated 481 parcels.

ASD completed compliance reviews of appraisal programs in the Rocky Mountain, Navajo and Northwest Regions.

For the first time in the Southern Plains Regional Office, indefinite-delivery, indefinite-quantity appraisal contracts were awarded.

**Current Status**

OAS is testing ARRTS and developing a roll-out and implementation plan.

As in previous reporting periods, the “appraisal 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:

**This section continues on the next page.**

**STATUS REPORT TO THE COURT NUMBER THIRTY-FOUR**

**November 3, 2008**

**Office of Appraisal Services**

---

<b>Region</b>	<b>Appraisal Backlog As of 06/30/08</b>	<b>Appraisal Backlog As of 09/30/08</b>
Northwest	423	471
Rocky Mountain	668	378
Midwest	69	39
Western	8	0
Southwest	24	28
Eastern Oklahoma	30	75
Navajo	2	0
Pacific	25	12
Alaska	113	125
Eastern	23	0
Southern Plains	27	17
Great Plains	2,216*	2,224*
<b>TOTAL</b>	<b>3,628</b>	<b>3,369</b>

\*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-Four*. The information provided in this section is accurate to the best of my knowledge.

Date: October 22, 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 the 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**

**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, ORM shepherded the probate-related regulations through the approval process at Interior, and facilitated the resolution of final issues raised during this process. The regulations are in the final approval stage and were delivered to OMB for informal review for publication as a final rule by November 1, 2008.

ORM also coordinated revisions to the CFR part regarding conveyances of trust and restricted interests to address SOL comments and clarify policy issues, and has presented the revised draft to SOL and senior management for review.

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 CY2009.

**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. A complete draft of these regulations is not expected until CY2009.

***STATUS REPORT TO THE COURT NUMBER THIRTY-FOUR***

**November 3, 2008**

**Trust Regulations, Policies and Procedures**

---

**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-Four*. The information provided in this section is accurate to the best of my knowledge.

Date: October 29, 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 19<sup>th</sup> 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 have been coordinated primarily through the BIA Indian Land Consolidation Office, which has sought to help Tribes make use of the opportunities offered by the Indian Land Consolidation Act, as amended in 2004. Although ILCO operated several acquisition projects that purchased undivided interests in highly fractionated tracts and transferred title to the Tribes, ILCP is expected to end during FY2009. ILCP was not funded in the current Interior budget and is using FY2008 carry-over funds to close-out its operations.

**Accomplishments**

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

During this reporting period, ILCP acquired 5,311 fractional interests and 5,244.88 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 12 tracts during this reporting period (7,721 total tracts). Tribes also acquired 100% ownership in one additional tract. As a result of ILCP purchases, Tribes now have 100% ownership of 429 total tracts.

**Current Status**

ILCP is currently conducting an audit of all acquired fractionated interests. The audit will verify landowner intent and sales information, and confirm that ownership changes have been made in TAAMS Title. The audit is expected to be completed by the end of the second quarter of FY2009.

**STATUS REPORT TO THE COURT NUMBER THIRTY-FOUR**

**November 3, 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-Four*. The information provided in this section is accurate to the best of my knowledge.

Date: October 21, 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, 7,092 probate cases are in the case preparation stage.

**Case Adjudication**

Depending on the complexity of the case or the tribal affiliation of decedents and location of trust lands, probates are adjudicated by ALJs, IPJs or ADMs, or by the District Courts in the State of Oklahoma for estates of the Five Civilized Tribes of Oklahoma and Osage Indians.

According to ProTrac, 6,233 probate cases are in the case adjudication stage. Of those, OHA reported 3,810 cases pending with OHA as of September 30, 2008. As reported by OHA, deciding officials received 2,222 cases and issued decisions in 2,202 cases during this reporting period. The remaining 2,423 cases are pending in the Oklahoma District Courts.

**Case Closure**

Cases in the closing stage are ones that have been adjudicated. During this stage, land ownership information is updated in TAAMS. According to ProTrac, there are 2,716 cases pending in the case closure stage. 3,565 cases were closed during this reporting period.

**Financial Case Closure**

Financial case closure is the distribution of funds through TFAS after the ownership information has been updated in TAAMS. OST reported that it distributed funds and closed 2,724 accounts in TFAS during this reporting period representing 2,645 estates. As of September 30, 2008, TFAS contained 33,099 open estate accounts, which is a decrease of seven from the 33,106 open estate accounts at the end of the last reporting period.

**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;
- Cultural differences regarding the subject of death and funerals; and
- Loss of case preparation personnel/contractors.

**Assurance Statement**

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

Date: October 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 trust systems. In addition, this section describes various efforts being made to improve IT security within Interior, pursuant to OMB Circular A-130 Appendix III.

**Accomplishments**

**Staffing:**

The Interior Deputy CIO and BLM BCISO positions were filled during this reporting period.

**Computer Security:**

Interior continues to make progress in enhancing IT security through improvements to security monitoring processes and the re-C&A 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, blocked over one million network attacks during the reporting period.

**Current Status**

**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 the reporting period, Interior reported to OMB that 64 weaknesses were eliminated and 52 new weaknesses were identified and added for trust systems.
- At the end of this reporting period, there are 669 weaknesses associated with trust systems. Of the 669 open weaknesses, 46 (7%) are rated high, 309 (46%) are rated medium and 314 (47%) are rated low.

**A-130 Certification and Accreditation:**

All trust systems that are currently tracked in DEAR have full ATO or IATO status.

**Training and Awareness:**

- The annual security awareness training was completed by 98% of the users by the required date of August 15, 2008.

**Reports:**

GAO issued the following reports that relate to information security across all federal agencies:

- “Information Security: Federal Agency Efforts to Encrypt Sensitive Information Are Under Way, but Work Remains.”
- “Information Technology: Federal Laws, Regulations, and Mandatory Standards for Securing Private Sector Information Technology Systems and Data in Critical Infrastructure Sectors.”

**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.

**Staffing**

Interior continues to experience high staff and management turnover in critical IT positions, particularly IT security. During this reporting period, the Interior CIO resigned from Interior and assumed his new position as Deputy E-Government Administrator at OMB. The Deputy CIO has been serving as the acting Interior CIO.

**Funding and Resources**

- Limited funding has impacted the ability of Interior to 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-Four*. The information provided in this section is accurate to the best of my knowledge.

Date: October 24, 2008

Name: *Signature on File*  
Jerry Williams

Department of the Interior Acting Chief Information Officer

## **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**

#### **Survey Production**

BLM approved a total of 35 completed survey projects in Indian Country during this reporting period. These surveys produced 134 plats, 1,283 miles of survey line and an additional 2,362 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 686 professional land surveyors enrolled currently in the CFedS training program, and 180 CFedS currently certified. There now are 47 states represented with licensed surveyors either enrolled or certified in the program.
- The CFedS web site had approximately 19,811 visits and the "Finding a CFedS" page received 17,548 inquiries.
- The first two CFedS continuing education courses, each 10 hours long and worth 3 credits, were developed and made available.

#### **Implementation of the FTM**

BLM and BIA completed collecting data for the TAAMS spatial pilot, as described in the previous report to the court. BLM and BIA validated, completed and adjusted the workload and cost estimates for accurately mapping trust land tracts contained in the original study. The TAAMS Spatial Pilot will be presented to the TESC for consideration during the next reporting period.

**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 FY2009 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.

**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-Four*. The information provided in this section is accurate to the best of my knowledge.

Date: October 30, 2008

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



**C. MINERALS MANAGEMENT SERVICE**

**Introduction**

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

**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. On April 28, 2008, MMS published a Federal Register notice soliciting membership nominations to the committee and requesting comments on the initiative. MMS is reviewing committee nominations, has drafted the Negotiated Rulemaking Committee Charter, and expects to recommend committee members soon.

**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 overpayments resulted from 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 to establish controls to mitigate the risk of this type of error occurring again. BIA, working with FIMO, will notify the owners who received overpayments of \$500 or more of Interior’s intent to recover the overpayment from the owners.

**STATUS REPORT TO THE COURT NUMBER THIRTY-FOUR**

**November 3, 2008**

**Minerals Management Service**

---

**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-Four*. The information provided in this section is accurate to the best of my knowledge.

Date: October 23, 2008

Name: *Signature on File*  
Jennifer Goldblatt  
Chief of Staff  
Minerals Revenue Management  
Minerals Management Service

**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-FOUR**

**November 3, 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
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
FTO	Fiduciary Trust Officer

## **STATUS REPORT TO THE COURT NUMBER THIRTY-FOUR**

**November 3, 2008**

## **Acronyms and Abbreviations**

---

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
IV&V	independent verification and validation

## **STATUS REPORT TO THE COURT NUMBER THIRTY-FOUR**

**November 3, 2008**

### **Acronyms and Abbreviations**

---

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
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
OTRA	Office of Trust Review and Audit
PACER	Payments, Accounting, Claims and Enhanced Reconciliation System

## ***STATUS REPORT TO THE COURT NUMBER THIRTY-FOUR***

**November 3, 2008**

### **Acronyms and Abbreviations**

---

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
TBCC	Trust Beneficiary Call Center
TESC	Trust Executive Steering Committee

**STATUS REPORT TO THE COURT NUMBER THIRTY-FOUR**

**November 3, 2008**

**Acronyms and Abbreviations**

---

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