

# Status Report to the Court Number Forty-One

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For the Period  
April 1, 2010 through June 30, 2010



August 2, 2010

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**INTRODUCTION**

This *Status Report to the Court Number Forty-One* (Report) represents the period from April 1, 2010, through June 30, 2010. 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 Bureau of Ocean Energy Management, Regulation, and Enforcement (formerly the 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.

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<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.

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**Office of the Special Trustee for American Indians**

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

The *Cobell* litigation settlement still awaits the enactment of legislation and Court approval. The parties agreed to further extend the time for Congress to act on the settlement until August 6, 2010. As previously reported, due to the pending settlement, OHTA has suspended much of its work on IIM accounts.

BIA has appointed a new Director, Mr. Michael Black.

Date: July 26, 2010

Name: *Signature on File*

Donna Erwin

Principal Deputy 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 and Current Status**

*Electronic Ledger Era*

As previously reported, HSAs reflecting Electronic Ledger Era activity can now be prepared for 220,703 Land-Based IIM accounts from the Electronic Ledger Era (in addition to the 66,130 Judgment and Per Capita IIM accounts awaiting Court approval for mailing).

**Data Completeness Validation:**

**Confirming Completeness of Land-Based IIM Accounts through System Tests**

DCV is a process consisting of multiple tests: Transaction and Disbursement Mapping, Balance Comparison, Account Number Review, and System Conversion.

Transaction Mapping: This test confirms that transfer and reversal transactions are correctly posted within the IIM accounting systems (*i.e.*, that no transactions are missing from the electronic dataset). As of June 30, 2010, 99.7% of the transactions in the dataset had been mapped. During this reporting period, transaction mapping for 1,276,453 transactions was completed. Of these, 887 were pre-December 31, 2000, transactions. The number of transactions that require mapping increases as IRMS transactions are restored to the dataset and post-December 31, 2000, TFAS transactions are added to the dataset.

Disbursement Mapping: This test confirms the status of disbursements issued during the timeframes of the Treasury CP&R System and TCIS<sup>2</sup> for check payments and the Treasury PACER System for electronic payments. Additionally, this test is used to identify cancelled disbursements to ensure that they have been re-credited to an IIM account. Disbursement Mapping is updated as data are received from Treasury on current check and electronic disbursements. No work was performed during this reporting period. At the end of the previous reporting period, mapping was completed for 98.1% of the TCIS records and all of the PACER data through May 2009. The mapping of the CP&R data through April 30, 2006, is 99.7% complete.

Balance Comparison: This test confirms that transactions to be included in an HSA correspond to the December 31, 2000, TFAS balance. This test was completed for TFAS data in 2007 and is

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<sup>2</sup> TCIS replaced CP&R on May 1, 2006.

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**Office of Historical Trust Accounting**

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97.9% complete for IRMS data. During this reporting period, no out-of-balance accounts were resolved.

Account Number Review: This test 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. As of June 30, 2010, 99.9% of the accounts in the dataset had been reviewed. During this reporting period, work continued on identifying new accounts and identifying when an account number had 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 post-December 31, 2000, TFAS transactions are added to the dataset.

System Conversion: These tests involve several tasks to determine the accuracy of system conversions, including from the Paper Ledger Era to the Electronic Ledger Era, and from IRMS to TFAS during the Electronic Ledger Era.

To verify the accuracy of the conversion to electronic data, OHTA continued to examine and update its list of IIM accounts from the Electronic Ledger Era that appeared to have also existed during the Paper Ledger Era.

The OHTA copy of the Electronic Ledger Era IRMS database contains 56,770,016 transactions as of June 30, 2010, including 340,666 restored transactions. OHTA also has identified 3,453,086 IRMS account balance records, including 364,186 restored balances, of which four IRMS balances were restored during this reporting period. This test identifies transactions and balances that were in BIA's original IRMS-IIM electronic dataset, but were not found in the copies of that dataset provided by BIA to OST and in turn by OST to OHTA. The OHTA copy of the TFAS database contains 80,900,579 transactions. To date, no missing transactions have been identified in the TFAS electronic database.

### **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 IIM 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. During this reporting period, no additional Land-Based IIM accounts received interest recalculation, and the cumulative total of 231,714 tested accounts within all 12 BIA Regions was unchanged.

***Paper Ledger Era***

**Reconstruction of Paper Ledger Era IIM Accounts**

OHTA suspended its work reconstructing Paper Ledger Era IIM accounts at the beginning of the previous reporting period.

**Reconciliation of Paper Ledger Era Transactions**

During this reporting period, OHTA completed its report entitled “Paper Ledger Era, Reconciliation Results Summary for the Southern Plains Transaction Sample,” dated May 28, 2010. This report summarizes the results from OHTA’s pilot reconciliation project, a random selection of 250 transactions from the Southern Plains Region. During the previous reporting period, OHTA suspended its search for documents to reconcile the 65 remaining transactions. Of the reconciled transactions, 167 were fully reconciled, 11 partially reconciled, and seven determined to be out-of-scope. Those 185 transactions have been loaded into ART.

***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.

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

During this reporting period, OHTA’s work resulted in the distribution of \$374,938 of SDA balances, including interest, which raised the total dollars resolved and funds distributed as of June 30, 2010, to \$55.1 million. As of June 30, 2010, a total of 10,456 OHTA SDA, involving \$14,755,716 (plus interest from December 31, 2002), remained to be resolved and distributed. Of those remaining SDA, 72.2% had balances as of December 31, 2002, of less than \$500 each, involving 4.2% of the remaining undistributed dollars.

As reflected in the table below, OHTA’s distribution of residual SDA balances continues to show that only about one-third of undistributed 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.

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**Office of Historical Trust Accounting**

**OHTA SDA DISTRIBUTION PROJECT (1)**

<b>SDA Resolved Dollars</b>	<b>Transferred to Tribal Accounts</b>	<b>Transferred to IIM Accounts</b>	<b>Paid to Non-Indian, Third Parties and Others (2)</b>	<b>Total</b>
Dollars distributed as of March 31, 2010	\$18,156,870	\$17,993,100	\$18,593,428	\$54,743,398
Dollars distributed from April 1, 2010, through June 30, 2010	\$ 71,778	\$201,961	\$101,199	\$374,938
Dollars distributed from January 1, 2003, through June 30, 2010	\$18,228,648	\$18,195,061	\$18,694,627	\$55,118,336
Percent of dollars distributed from April 1, 2010, through June 30, 2010	19.14%	53.87%	26.99%	100%
Percent of dollars distributed from January 1, 2003, through June 30, 2010	33.07%	33.01%	33.92%	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 non-Indian parties, Treasury, account reclassifications, and transfers to Interior's Federal Finance System.

***Imaging, Coding and Digitizing Individual Indian Trust Documents***

During this reporting period, OHTA completed imaging 11,388 IIM document pages, coding 1,428 IIM documents and loading 1,679 IIM documents into ART. As of June 30, 2010, ART contained 14.8 million coded IIM images and 13.0 million coded tribal images. The coded images to date total 27.8 million, constituting 6.8 million IIM and tribal documents.

Digitizing follows imaging and coding and involves adding the Paper Ledger Era transactional data to the electronic dataset concerning tribal and IIM records. Because OHTA shifted resources to other activities during this reporting period, OHTA had no IIM Trust transactional data to digitize.

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**Office of Historical Trust Accounting**

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**Delays and Obstacles**

OHTA responds to information needs of SOL and DOJ in the *Cobell v. Salazar* litigation and 94 tribal trust cases pending in multiple federal district courts and the Court of Federal Claims. As a result, other OHTA work has received lower priority and fewer resources. Specifically, OHTA now expects that it will not be able to complete the historical accounting activities within the time frames estimated in the *2007 Plan*.

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

Date: July 15, 2010

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 is responsible for distributing SDA funds received since January 1, 2003 (prospective receipts).

Current SDA are those which cannot be distributed due to pending appeals, SOL opinions and cadastral surveys. During this reporting period, there were two receipt transactions posted to SDA that qualified in one of the exception categories.

Remaining in current SDA are: \$4,800.00 pending an appeal on a business lease and \$8,045.13 pending SOL opinions. The pending amount reflects the amount of the original SDA deposit. Any interest earned is included in the amount paid at the time of distribution.

**b. Whereabouts Unknown Accounts**

**Current Status**

OST continues to secure current addresses for account holders of the rolling top 100 highest dollar balance WAU accounts. During this reporting period, fourteen of the top 100 WAU accounts, with combined account balances of approximately \$1.8 million were updated with current addresses.

During this reporting period, 13,262 accounts with a combined balance of \$3.8 million were added to the WAU list, while 6,507 accounts with a combined balance of \$6.9 million were updated with current addresses.

As of June 30, 2010, there were 83,757 WAU accounts with a combined balance of \$69.7 million, including 25 WAU accounts with balances equal to or greater than \$100,000. The combined balance of these 25 WAU accounts made up 6.2% of the \$69.7 million balance. 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.

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**Trust Services – Current Accounting**

Account Balance	Correspondence Check Returned	Account Setup No address	Awaiting Address Confirmation	Refused Unclaimed Mail	Fee Only	Total
Equal to or over \$100,000	19	6	0	0		25
Under \$100,000 and equal to or over \$50,000	36	18	1	0	0	55
Under \$50,000 and equal to or over \$5,000	2,225	697	2	5	74	3,003
Under \$5,000 and equal to or over \$1,000	4,943	1,533	6	8	186	6,676
Under \$1,000 and equal to or over \$100	9,418	3,963	40	7	351	13,779
Under \$100 and equal to or over \$1	16,138	7,542	121	29	607	24,437
Under \$1	12,349	23,176	78	27	152	35,782
Total	45,128	36,935	248	76	1,370	83,757

**c. Small Balance Accounts**

**Current Status**

As of June 30, 2010, there were 107,806 accounts with a balance of \$15.00 or less (totaling \$15,210.51), and no activity for the previous 18 months. Statements are sent to account holders for these accounts on an annual basis pursuant to direction from Congress.

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**Trust Services – Current Accounting**

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**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 Forty-One*. The information provided in this subsection is accurate to the best of my knowledge.

Date: July 16, 2010

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 Forty-One*, and this information is accurate to the best of my knowledge.

Date: July 22, 2010

Name: *Signature on File*

Margaret Williams  
Deputy Special Trustee, Trust Accountability  
Office of the Special Trustee for American Indians

## **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 1,722 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 203,015 boxes has been completed as of the end of this reporting period. 199,985 indexed boxes have been sent to AIRR for permanent storage.

#### **Training**

OTR provided records management training for 165 BIA and OST records contacts and 107 tribal employees during this reporting period. OTR provides records management training to Tribes as they request training. OTR provided electronic records management training to 591 BIA and OST employees and 24 tribal employees.

### **Current Status**

#### **Records Retention Schedules**

NARA approved three BIA electronic records schedules: Land Consolidation Tracking System on May 13, 2010; Self Governance Database on June 10, 2010; and National Indian Oil and Gas Evaluation and Management System on June 21, 2010. Several other records retention schedules for BIA and electronic records systems remain at NARA for review. OTR continued to work with NARA to provide information and/or clarification as required by NARA.

**Incident Report**

On June 23, 2010, a fire occurred in a downtown Albuquerque, NM, warehouse, in which OST stored backup tapes. This incident is more completely described in the Information Technology section of this report.

**Delays and Obstacles**

Court orders in tribal litigation cases continued 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.

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

Date: July 22, 2010

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, BOEM (formerly MMS) and OHA, and is integrated with Interior's other trust reform initiatives.

**Current Status**

Reengineering staff continued to:

- Provide technical support for conversion of RDRS to an oil and gas royalty management module within TAAMS.
- Develop the content for the following trust training courses: Introduction to Leasing Indian Trust Land, Indian Oil and Gas Management; Introduction to Administrative Indian Land Law; and Rights-of-way on Indian Trust Land.
- Provide oil and gas lease management support to the Fort Berthold and U&O Agencies.

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

Date: July 20, 2010

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 leasing and title modules.

The second initiative involves the validation and correction of CDE to their respective source documents. CDE are those trust data elements that are needed to provide: (1) timely and accurate payments to beneficiaries; (2) timely and accurate periodic statements of performance to beneficiaries; and (3) effective management of the assets. CDE include, but are not limited to, beneficiary name, account number, tract identification number, and land ownership interests.

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

### **Accomplishments**

During this reporting period, TPMC's contractors completed the following tasks:

- Researched ownership on 840 land tracts (cumulative total 1,123) for Great Lakes Agency.
- Performed TAAMS system approvals on 509 surface encumbrances and ROW documents (cumulative total 541) for Ramah Agency, Northern Pueblos Agency, and Zuni Agency.
- Encoded 59 realty documents in TAAMS Leasing (cumulative total 91) for Laguna Agency and Jicarilla Agency.

### **Current Status**

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

- Conducting Post-QA review of 27,936 transactions encoded into TAAMS (cumulative total 355,744) at the BIA LTROs and the contractor's Albuquerque office.
- Researching 88 residential leases for cancellation (cumulative total 88), which included curing 19 leases (cumulative total 37) prior to cancellation, and cancelling six leases (cumulative total 6) for Palm Springs Agency.
- Researching 26,020 Multiple Owner Identification Numbers (cumulative total 44,209).

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### **Trust Data Quality and Integrity**

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- Researching ownership on 163 land tracts (cumulative total 211) for Minnesota Agency.
- Researching ownership on 139 land tracts (cumulative total 247) for Northwest Regional Office LTRO.
- Encoding 19 supplemental probate documents (cumulative total 19), researching and preparing 333 probates for TAAMS encoding (cumulative total 333) for Colville Agency.
- Encoding 2,501 partitionments and split tracts (cumulative total 2,580) in TAAMS Title for EORO LTRO.
- Scanning 1,478 documents into TAAMS TIR (cumulative total 2,213) for EORO LTRO.
- Reviewing, preparing and forwarding to SPRO LTRO for encoding 41 Passamaquoddy deeds (cumulative total 41) and 27 Seminole deeds (cumulative total 27) for Eastern Region.
- Resolving 86 outstanding BIA Post-QA review variances (cumulative total 2,512) for the various LTROs.

TPMC's contractor also assisted FIMO with distributing an additional \$16,016.53 (cumulative total of \$142,134.96) to IIM account holders affected by FIMO's oil and gas lease re-numbering issue, as previously reported. Current royalty receipts are distributed on a monthly basis.

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

Date: July 16, 2010

Name: *Signature on File*  
Nolan J. Solomon  
Trust Reform Specialist, Trust Accountability  
Office of the Special Trustee for American Indians

**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**

Cannon Financial Institute presented courses in Asset Management, Trust Investments, Probate, Fiduciary Behaviors, and Guardianships to 79 BIA, OST and tribal personnel.

OST training staff conducted three training sessions for 35 employees and contractors from OST and BIA 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 58 OST, BIA, BLM and OHTA personnel.

OTT staff presented three modules of the Trust Fundamentals course at the Third Annual OST Records Management Conference to 213 OST, BIA, Bureau of Indian Education and tribal personnel.

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

Date: July 16, 2010

Name: *Signature on File*

Thomas Bird Bear

Acting Director, Office of Trust Training

Office of the Special Trustee for American Indians

#### **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 interim and annual statements of assurance.

##### **Current Status**

Risk management staff continued to assist with the Interior Office of Financial Management-led intra-bureau OMB Circular A-123, Appendix A testing efforts. These efforts test key internal controls within Interior bureaus that manage Indian trust assets and also support statements of assurance.

OST continued to test its internal controls as part of OMB Circular A-123 requirements.

As a result of the FY2009 self-assessments and testing efforts, 59 RM-PLUS corrective action plans remain open. Three corrective action plans were closed during this reporting period. As previously reported, none of these CAPs were considered material enough to result in a qualified statement of assurance for OST.

##### **Assurance Statement**

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

Date: July 18, 2010

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

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

### **Introduction**

The Office of Trust Regulations, Policies and Procedures was established within OST 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 Affairs and Collaborative Action, AS-IA. RACA activities are reported in the Indian Affairs section of the report to the Court.

### **Accomplishments**

OTP published 19 new or revised policies, procedures, handbooks and other documents.

OTP completed moving the electronic fiduciary library from the OST legacy trust portal to OST’s new Microsoft SharePoint trust portal. After quality assurance testing was completed in early June, the new trust portal became the official system of record for OST’s policies and procedures.

### **Current Status**

The TBCC procedures directive remained in the internal approval process and is expected to be approved during the next reporting period.

Subject matter experts from BIA, OST and SOL began work on a project to update the Interagency Procedures Handbook. The handbook was created in 2002 to provide guidance to BIA and OST staff who are involved in complex inter-agency financial work processes related to administration of Indian Trust responsibilities. Activities to date include drafting a project plan with an estimated one year timeline, appointment of nine BIA, OST and SOL subject matter experts, and creation of a SharePoint document collaboration site to help manage revisions to the document and facilitate communications between the geographically dispersed team members.

As of the end of the reporting period, OTP’s work-in-progress consisted of 57 policies, procedures, handbooks, forms and notices in varying stages of completion.

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**August 2, 2010**

**Trust Regulations, Policies and Procedures**

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

Date: July 16, 2010

Name: *Signature on File*

John Marshall, Director

Office of Trust Regulations, Policies and Procedures

Office of the Special Trustee for American Indians

**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**

OTRA conducted 13 Indian trust examinations. OTRA issued eight draft reports and 18 final Indian trust examination reports. In the 18 Indian trust examination reports issued, one office was rated “superior,” 13 offices were rated “satisfactory,” two offices were rated as “needs improvement,” and two offices were rated “unsatisfactory.” Of those offices rated less than satisfactory, there was one finding in Management Effectiveness, two findings in Asset Management, 10 findings in Compliance, and one finding in Operations. OTRA received a corrective action plan from each of those offices.

**Records Assessments**

The records assessment is a focused evaluation of records maintenance and security. OTRA conducted 11 records assessments, one records assessment follow-up review, and one investigative records management review. OTRA issued 13 final records assessment reports and one final records assessment follow-up report.

**Compliance/Investigative Reviews**

OTRA conducted one investigative review relating to trust operations and issued the associated report.

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**Trust Review and Audit**

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

Date: July 21, 2010

Name: *Signature on File*

Jim Schock

Acting Director, Office of Trust Review and Audit

Office of the Special Trustee for American Indians

**F. APPRAISALS AND VALUATIONS**

**Introduction**

OST's Office of Appraisal Services is responsible for Indian land valuations required by various regulations governing Indian trust and restricted fee lands. To meet these requirements, an appraisal or other generally accepted valuation methodologies and techniques is used to determine fair market value of Indian lands.

Office of Minerals Evaluation is part of the Office of Valuation Services within the Office of the Secretary. OME is responsible for valuing the mineral estates for Indian lands required by various regulations governing Indian trust lands. To meet these requirements, various mineral economic evaluation methodologies (including comparables analyses) are performed to determine stand-alone value or the contributory value to the overall fair market value of Indian lands.

**Accomplishments**

OAS transmitted 1,455 real estate appraisals to clients; of these, 346 were completed using the U/FAS in the Great Plains Region.

In support of ILCP, OME completed minerals assessments on 2,465 parcels. Mineral Assessment/Market Analysis Studies (or some version thereof) were performed for seven Indian reservations: Alamo (NM); Leech Lake (MN); Oneida (WI); Squaxin Island (WA); Umatilla (OR); Upper Sioux (MN); and Zuni (NM). Each report depicts which parcels were completed and which, if any, were set aside for further analysis/review for a variety of technical reasons. Out of the possible 2,523 parcels that were analyzed, 58 were set aside for further analysis.

OME also updated 39,918 parcels, primarily in the Great Plains Region. Updates were accomplished through discussions and confirmations with individuals who have the latest information pertaining to any changes in the area regarding mineral resources or other factors that would impact the results of the last minerals analysis performed.

Mineral evaluations for 239 parcels related to 26 Indian probate cases were also completed by OME.

**Current Status**

Following completion of ARRTS testing by OAS during the last reporting period, BIA testing was deferred to incorporate essential modifications recommended by OAS. ARRTS implementation is now expected to begin on a pilot basis with OAS and BIA in the first quarter of FY2011.

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**Appraisals and Valuations**

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As previously reported, OAS initiated a series of four appraisal review courses to meet the appraisal industry’s qualification standards and meet NBC/ASD compliance audit recommendations. The final two courses have been rescheduled for the next fiscal year.

OST’s team, tasked with revising the tribal-shares funding allocation for appraisals, reviewed the comments received at the six consultation meetings held last year and additional post-consultation comments and suggestions. The team recommended a workload-based formula, averaging tribal workload over the most recent five years. In a letter issued to tribal leaders on June 28, 2010, OST sought nominations for individuals knowledgeable about appraisals to serve on a small tribal-federal workgroup to help shape the final decision. The workgroup expects to issue its recommendations during the next reporting period.

Past due requests and pending work as reported by the regions are as follows:

<b>Region</b>	<b>Appraisals Completed This Quarter</b>	<b>Pending Work as of 6/30/10 (includes Past Due requests)</b>	<b>Past Due Requests As of 3/31/10</b>	<b>Past Due Requests As of 6/30/10</b>
Northwest	516	931	0	0
Rocky Mountain	78	326	265	108
Midwest	12	1,017	19	17
Western	48	51	8	18
Southwest	12	9	0	0
Eastern Oklahoma	102	72	28	23
Navajo	72	48	79	6
Pacific	33	24	0	0
Alaska	40	155	14	7
Eastern	1	21	0	0
Southern Plains	96	487	0	0
Great Plains	445	22	7	6
<b>TOTAL</b>	<b>1,455</b>	<b>3,163</b>	<b>420</b>	<b>185</b>

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**Appraisals and Valuations**

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**Assurance Statement**

I concur with the content of the information concerning the OME minerals assessments in the accomplishments section of the Office of Appraisal Services section of the *Status Report to the Court Number Forty-One*. The information provided in this section is accurate to the best of my knowledge.

Date: July 16, 2010

Name: *Signature on File*  
Robert L. Davidoff  
Chief,  
OVS – Office of Minerals Evaluation

I express no opinion on the content of the OME minerals assessments paragraph. I concur with the content of the information contained in the balance of the Office of Appraisal Services section of the *Status Report to the Court Number Forty-One*, and this information is accurate to the best of my knowledge.

Date: July 16, 2010

Name: *Signature on File*  
Eldred F. Lesensee  
Director,  
Office of Appraisal Services

## II. INDIAN AFFAIRS

### A. TRUST REGULATIONS, POLICIES AND PROCEDURES

#### Introduction

The Office of Regulatory Affairs and Collaborative Action 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. RACA 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** – As previously reported, revisions to the 2008 regulations related to probate processing, hearings and appeals are necessary because, a few weeks following their publication, Congress amended the authorizing statute, the American Indian Probate Reform Act. These updates were submitted to SOL in January 2010, where they remain pending SOL review and approval. RACA now anticipates publication in the Federal Register during the next reporting period.

In accordance with direction from AS–IA leadership, RACA has been focusing on drafting a new subpart in the leasing regulations to address leases for the evaluation and development of wind and solar resources on Indian land. RACA continued to engage the U.S. Institute for Environmental Conflict Resolution to facilitate working sessions throughout Indian Country on the draft leasing, grazing, rights-of-way, and trespass regulations. This consultation process is still expected to continue throughout CY2010 and to culminate in the proposal of these regulations in the Federal Register for public notice and comment.

As previously reported, amendments to the CFR parts regarding conveyances of trust and restricted interests, and regarding land title and records are on hold.

**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. The complete draft of these regulations is not expected until after the above-described priority regulations have been published; however, as noted above, a renewable energy subpart will be included in the leasing regulations to establish a framework for renewable energy leasing in Indian Country.

***STATUS REPORT TO THE COURT NUMBER FORTY-ONE***

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**Trust Regulations, Policies and Procedures**

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

Date: July 19, 2010

Name: *Signature on File*

Michele F. Singer

Director, Regulatory Affairs and Collaborative Action

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, and 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. ILCO operates several acquisition projects which purchase interests in fractionated tracts and transfer title to the Tribes. A total of 20 reservations located in seven BIA Regions have participated in ILCP.

**Accomplishments**

During this reporting period, ILCP acquired 6,807 fractional interests and 5,978.15 acre-equivalents. Of the total interests acquired, 84% were interests of less than 2% ownership in the respective tracts of land.

**Current Status**

ILCO continued to review various provisions in AIPRA to develop potential alternatives to addressing fractionation. ILCO is working on purchasing interests at probate and has submitted purchase offers in two regions. ILCO is also working on a White Paper regarding wills and their storage.

As a result of ILCP purchases, Tribes now have 100% ownership of 449 total tracts since the beginning of the program.

**Assurance Statement**

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

Date: July 26, 2010

Name: *Signature on File*

Brenda Walhovd

Program Specialist, 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 opening new cases, examining initial information provided and updating case data in the ProTrac system.

**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, 7,405 probate cases are in the case preparation stage. BIA prepared 1,848 cases and submitted them to OHA for determination.

**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 State of Oklahoma district courts for estates of the Five Civilized Tribes of Oklahoma and Osage Indians. Cash-only cases with a date-of-death IIM balance of \$5,000 or less are assigned initially to one of the ADM's for summary disposition after review for completeness of the probate file.

Because OHA is adjudicating more cases affected by the 2004 enactment of AIPRA, OHA is receiving more requests for land purchases at probate, both from Tribes and co-owners. As a result, OHA anticipates a growing need for appraisals and mineral valuations to complete these purchases and close the estates in a timely manner.

According to ProTrac, 9,141 probate cases are pending in the case adjudication stage, which includes cases decided by OHA that are within the 45 day appeal period and cases pending in the Eastern Oklahoma state district court. As reported by OHA, 4,753 cases are awaiting a decision. OHA also reported from ProTrac that deciding officials received 2,015 cases and decided 1,422 cases.

**Case Closure – BIA**

Cases in the closing stage have been adjudicated. During this stage, if land is part of the estate, BIA updates land ownership information in TAAMS, which may entail preparing supporting documentation for distribution and closure of the estate account. According to ProTrac, 3,267 cases were pending in the case closure stage. BIA closed 1,838 cases.

**Financial Case Closure – OST**

Financial case closure is the posting and recording of ownership and distribution of assets after the case has been adjudicated and land ownership information has been updated by BIA if necessary. OST reported that it distributed funds and closed 2,067 accounts in TFAS during this reporting period representing 2,024 estates. As of June 30, 2010, TFAS contained 35,135 open estate accounts, which is an increase of 2,639 from the 32,496 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;
- Loss of case preparation personnel/contractors; and
- Initiatives compelled by the proposed Cobell litigation settlement.

**Assurance Statement**

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

Date: July 26, 2010

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

**C. MINERAL ROYALTY ACCOUNTING AND DISTRIBUTION**

**Introduction**

The Royalty Distribution and Reporting System maintains data about individual Indian oil and gas leasehold interests. RDRS also determines the allocation of oil and gas income – derived from trust property – to be paid to Indian beneficiaries. RDRS is a legacy system currently running on a mainframe computer at the Indian Affairs Data Center in Herndon, Virginia.

The Royalty Management Oil and Gas Project Team, which includes staff from BIA, OST, and BOEM (formerly MMS), developed the Mineral Royalty Accounting and Distribution module in TAAMS. When implemented, the module is expected to streamline, standardize and provide additional functionality to support the business process for disbursing oil and gas revenue.

**Current Status**

Testing of the MRAD module and reconciliation of RDRS distribution data continued and is expected to be completed during the fourth quarter of FY2010. Implementation is scheduled for the first quarter of FY2011.

The BIA field staff concentrated on entering leases into the TAAMS MRAD module. The June 30, 2010, data comparison between RDRS and TAAMS showed discrepancies for 290 leases, 251 tracts and 9,642 ownership interests.

As previously reported, the project team resolved data processing errors detected during testing of a new data file provided by MMS. This resolution allowed the project team to resume distribution comparison testing between RDRS and MRAD. In turn, the comparison testing permitted BIA and OST to resume Explanation of Payment testing, and permitted OST to test financial transactions posted to TFAS utilizing a test site.

**Assurance Statement**

I concur with the content of the information contained in the Mineral Royalty Accounting and Distribution section of the *Status Report to the Court Number Forty-One*. The information provided in this section is accurate to the best of my knowledge.

Date: July 30, 2010

Name: *Signature on File*

Charlene Toledo  
Associate Deputy Bureau Director  
Trust Services, Trust Administration  
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**

**Policies and Guidance:**

- On April 1, 2010, the Interior CIO issued “The Department of the Interior Migration to Windows 7 Operating System” to bureau and office CIOs. “This memo provides [DOI] guidance ... regarding the deployment of Windows 7,” which affects all Interior laptop and desktop computers that rely on Microsoft operating systems.
- On April 8, 2010, the Deputy Assistant Secretary – Technology, Information and Business Services and the Interior CIO issued “Migration of DOI to a Single Electronic Mail System” to bureau CIOs and CFOs. This memo “augment[s] the communications channel provided by the [DOI email] working team and outline[s] the expectations that DOI management has for senior managers in each bureau to support this effort.”
- On April 23, 2010, the Interior CIO issued, through the Deputy Assistant Secretary – Technology, Information and Business Services, “Preparing DOI’s Response to the Federal Data Center Consolidation Initiative (FDCCI)” to bureau and office CIOs. This memo “communicates DOI’s recommended approach in response to the Office of Management and Budget’s (OMB) requirement for data center consolidation plans from federal agencies.”
- On May 5, 2010, the Interior CIO issued “Request and Risk Acceptance for Permanent Opening of Social Media and Web 2.0 Technology Websites” to the Deputy Assistant Secretary – Technology, Information and Business Services, and bureau CIOs. The Risk Acceptance document states that, in response to the subject request, he and the Deputy Assistant Secretary – Technology, Information and Business Services “have determined that the operational necessity to allow all of Interior’s bureau/office employees and contractors to have access to [selected] sites (at the discretion of each requesting BCISO) outweighs those risks to agency operations, agency information and information system assets, or individuals and are acceptable.”
- On May 7, 2010, the Interior CIO and the Department of Health and Human Services (HHS) CIO, jointly issued “Windows 7 and Internet Explorer 8 United States Government Configuration Baseline (USGCB)” draft settings for agency review. These settings, when finalized, will constitute the USGCB, which replaces the Federal Desktop Core Configuration standard currently in use, and “provide ... baseline ... guidance to agencies on what should be done to improve and maintain an effective security posture.”

- On May 12, 2010, the Interior CIO and Principal Deputy Special Trustee issued “Timely Resolution of Trust IT System Plan of Action and Milestone (POA&Ms) Weaknesses Rated High” to Trust bureau CIOs. This memo states that “Trust system POA&Ms rated ‘High’ have remained unmitigated for extended time periods [and that]...POA&Ms identified in the attached CSAM-generated report as unmitigated for longer than twelve (12) months prior to the issuance of this memo must now be mitigated within six (6) months of the issuance of this memo.”
- On May 18, 2010, the Interior CIO issued “Plan of Action and Milestones (POA&M) Process Standard, Version 1.8” to bureau and office CIOs. “This directive provides a set of standards and procedures for developing and maintaining bureau and office POA&Ms for identifying weaknesses, managing remediation, and providing quarterly reports to the Office of Management and Budget (OMB).”
- On May 21, 2010, the Interior CIO issued “Implementation of Enterprise Performance Management Capabilities” to bureau CIOs and BCISOs. This memo provides background and technical guidance on opening bureau and office networks, to enable the OpNet software product deployed at Interior’s Enterprise Service Center Advanced Security Operations Center to provide centralized reporting on specific performance management metrics for those networks.
- On May 21, 2010, the Interior CIO issued “Fiscal Year 2010 (FY10) Role-Based Security Training” to bureau and office CIOs. This memo reiterates the *DOI Role-Based Security Standard* as the agency framework for compliance with the FISMA requirement mandating “security awareness training for all users of agency information systems, including their responsibilities to reduce information security risks,” outlines roles and responsibilities for doing so, and provides guidance on training program “tracking and reporting.”
- On June 3, 2010, the Interior CIO issued “FY10 DOI Information Technology (IT) Systems Renewal Certification and Accreditation Guidance” to heads of bureaus and offices. This memo rescinds “the DOI requirement for 100% security control testing [each year within the three year accreditation period] as a pre-requisite for renewal of C&As [in order to] accept testing for a third of our [system controls] each year as meeting re-certification requirements.” This change, coupled with bureaus’ and offices’ reliance on documented continuous monitoring procedures, aligns Interior’s C&A processes to recently revised NIST standards.
- On June 29, 2010, the Interior CIO issued “Risk Assessment of Cloud Deployment Models for Department of the Interior Unified Messaging” to the Deputy Assistant Secretary – Technology, Information and Business Services. This memo describes the risk assessment performed by the Interior Chief Technology Officer and CISO regarding possible deployment of a cloud computing (as defined by NIST) environment for unified messaging (primarily Department-wide email). It concludes from those findings that “an appropriate cloud model . . . meets[s] DOI’s requirements for the implementation of an [externally provided] enterprise email and collaboration system . . . [and] are consistent with DOI’s goals, objectives, mission, and risk tolerance.”

- On July 2, 2010, the Interior CIO issued “Cyber Security Assessment and Management (CSAM) System Failure” to heads of bureaus and offices. This memo details the June 18, 2010, system failure of CSAM, the apparent loss of data entered into the system “since approximately February 19, 2010,” the status of data retrieval efforts and bureau and office responsibilities for re-entry of lost data. CSAM is used by Interior’s bureaus and offices for: storing C&A documentation packages; reporting, managing and tracking the remediation of weaknesses as part of the POA&M process; and recording results from IT security self-assessments. Additional information on this incident is provided in the Delays and Obstacles section of this report.

**Reports:**

- On May 5, 2010, the Interior CIO issued “Response to the Final Report – Verification of Previous Office of Inspector General Recommendations (Report No. ISD-EV-MOA-0002-2009)” to the Assistant Inspector General for Information Technology. This memo “provides the Department’s planned corrective actions, anticipated milestones, and estimated completion dates to address the five (5) recommendations included in that report,” detailed in *Status Report to the Court Number Thirty-Eight*.

The following reports issued during this reporting period related to information security across all federal agencies:

- On May 27, 2010, GAO issued: “Information Security: Federal Guidance Needed to Address Control Issues with Implementing Cloud Computing.”
- On June 16, 2010, GAO issued: “CYBER SECURITY: Continued Attention is Needed to Protect Federal Information Systems from Evolving Threats.”
- On June 17, 2010, GAO issued: “Information Management: The Challenges of Managing Electronic Records.”

**Current Status**

**Prevention and Monitoring:**

ESN perimeter security controls, which are the first line of defense, blocked over one million network attacks during this reporting period. As previously reported, DOI-CIRC continues to adhere to US-CERT incident reporting requirements and procedures.

**Plan of Action and Milestones:**

Due to the CSAM failure these statistics are unavailable.

**A-130 Certification and Accreditation:**

Based on data available before the CSAM system failure, all trust systems that are currently tracked in CSAM had full ATO status.

**Training and Awareness:**

Interior continued the 2010 Role-Based Security Training and Security Awareness Training as required by FISMA.

**Incidents:**

- On April 9, 2010, one of the MMS (now BOEM) ZANTAZ servers suffered a hardware failure preventing emails from being transferred to ZANTAZ. The archiving server was not affected, allowing all archived emails to be queued until the hardware failure could be corrected. The hardware failure was corrected on April 12, 2010. Processing and delivery to ZANTAZ then started for the 84,000 queued, archived messages. It is possible that some emails in the process of transferral to ZANTAZ at the time of the hardware failure were not successfully transferred.
- On June 16, 2010 an OHTA employee e-mailed a file to a personal e-mail account containing a list of his work-related accounts (names and passwords) for federal government systems, some of which were Trust systems, and personal systems and applications. This e-mail was unencrypted and sent over the Internet. This incident was detected by the DOI-CIRC Data Loss Prevention tool on June 16 at the time of occurrence. However, due to continuing DOI-CIRC workload backlog, it was not examined or reported by DOI-CIRC staff until July 2, 2010.

When DOI-CIRC notified OHTA, OHTA immediately disabled the employee's work-related accounts. The employee was then required to change the passwords for those accounts. Additionally, the employee was required to retake the annual Security Awareness Training and review and re-acknowledge the Rules of Behavior for the systems affected.

Activity on OHTA information systems involving the accounts belonging to the employee for the period between June 16, 2010 and July 2, 2010 were reviewed. No abnormal activity indicating compromise of the accounts, including those with access to Trust data, was detected.

- On June 23, 2010, a fire occurred in downtown Albuquerque, New Mexico at the TMM Business Records Storage warehouse. OST had contracted with TMM to store backup tapes in a fire-proof vault in the warehouse. Because the tapes are snapshot-in-time backups of data contained on the OST Network, they likely contain information related to Individual Indian trust business. As of July 23, 2010, neither OST nor TMM had been permitted access to the warehouse because of concerns about the structural integrity of the building and the on-going investigation of the fire. As a result, OST has been unable to ascertain the status of the tapes stored in the vault.

**Delays and Obstacles**

As reported in the July 2, 2010 “Cyber Security Assessment and Management (CSAM) System Failure” memo discussed above, on June 18, 2010, the Cyber Security Division notified Interior’s CISO of a system failure in the Department’s CSAM system. The failure resulted in a loss of all current data in CSAM. In attempting to restore the data, analysis by NBC revealed a breakdown in database backup processes and procedures. This breakdown resulted in loss of data entered into CSAM since approximately February 19, 2010. Bureaus and offices have reported that some data will be able to be reconstituted while other data will not. The system was back in operation as of July 2, 2010. NBC has provided assurances that tape backup procedures have been corrected to prevent a reoccurrence of these circumstances.

OCIO is coordinating with each bureau or office CIO regarding specific areas of impact, including adjustments to any completion and reporting timelines. Regarding 2010 C&As for systems where existing ATOs are due to expire this fiscal year, the Interior CIO is authorizing a 45 day extension. Additionally, a 30 day extension from the original reporting deadline is being provided for completion of ICRs and fourth quarter POA&M reporting.

**Staffing:**

During this reporting period:

- A new Interior CIO was hired.
- A new Interior Deputy CIO was hired.
- The BIA Deputy CIO continued to serve as the acting BIA CIO because a replacement BIA CIO was not hired.
- The SOL Acting Assistant Director of Information Management continued to serve as the acting SOL CIO.

**Assurance Statement**

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

Date: July 29, 2010

Name: *Signature on File*  
Bernard J. Mazer  
Department of the Interior 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 15 completed survey projects in Indian Country during this reporting period. These surveys produced 32 plats, 206 miles of survey line and an additional 571 survey monuments in Indian Country.

#### **Certified Federal Surveyor Program**

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

- There were 1014 professional land surveyors enrolled in the CFedS training program, and 405 CFedS certified. There were 48 states (plus DC and the Virgin Islands) represented with licensed surveyors either enrolled or certified in the program.
- The CFedS web site had approximately 22,330 visits and the "Finding a CFedS" page received approximately 13,640 inquiries.
- 44 new professional land surveyors started the program.
- An additional continuing education course was developed, "The 2009 Manual of Survey Instructions." The course is helpful to the surveyors in identifying the significant changes to the previous manual that was issued in 1973.

### **Current Status**

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

The CGIS, as described in the TAAMS Spatial Pilot Project, is a key element of the FTM for enhanced management of Indian lands. The CGIS has not been implemented throughout Indian

Country because of a lack of resources; however, OST, BIA, and Interior's CIO are exploring options to fund the CGIS initiative.

The Records Update and Verification Project, funded by the American Recovery and Reinvestment Act, continued. The project is improving positional information and verifying BLM land status records, which will help facilitate development of CGIS by private and governmental entities, including Tribes.

**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 in Interior's FY2010 appropriation – \$300,000 less than FY2009 – 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. For example, if enacted, the proposed FY2011 decrease of \$13,000,000 in the budget for the Alaska Conveyance Program – which transfers federal land to Alaska Natives, Alaska Native corporations and the state of Alaska – will dramatically increase the time-line for those conveyances.

**Assurance Statement**

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

Date: July 15, 2010

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

**C. MINERALS REVENUE MANAGEMENT PROGRAM**

**Introduction**

Minerals Revenue Management, a program within the Bureau of Ocean Energy Management, Regulation, and Enforcement (formerly MMS), collects, accounts for, and distributes mineral revenues from both federal and Indian mineral leases. MRM also evaluates 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.

**Current Status**

**Indian Oil Valuation Rule**

As previously reported, BOEM expects to address issues regarding the “major portion” calculation for oil produced from Indian leases in a Negotiated Rulemaking Committee. A charter to establish the committee has been drafted. Once the charter is signed by Secretary Salazar and filed with Congress, BOEM will prepare a Federal Register notice to solicit committee-member nominations.

**Assurance Statement**

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

Date: July 21, 2010

Name: *Signature on File*

Shirley M. Conway

Special Assistant, Minerals Revenue Management

Bureau of Ocean Energy Management, Regulation, and Enforcement

**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
BCISO	Bureau Chief Information Security Officer (formerly BITSM)
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
BOEM	Bureau of Ocean Energy Management, Regulation, and Enforcement
BOR	Bureau of Reclamation
BPA	Blanket Purchase Agreement
BRM	Business Reference Model
C&A	Certification and Accreditation
CAP	corrective action plan
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

## **STATUS REPORT TO THE COURT NUMBER FORTY-ONE**

**August 2, 2010**

### **Acronyms and Abbreviations**

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CIFTA	Certified Indian Fiduciary Trust Analyst
CIFTS	Certified Indian Fiduciary Trust Specialist
CIO	Chief Information Officer
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
CSAM	Cyber Security Assessment and Management
CSD	Cyber Security Division
CSIRC	Computer Security Incident Response Capability
CSIRT	Computer Security Incident Response Team
CSS	Customer StrataStation
CTM	Comprehensive Trust Management Plan
DAA	Designated Approving Authority
DCV	Data Completeness Validation
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
FDCC	Federal Desktop Core Configuration
FFMIA	Federal Financial Management Improvement Act
FIMO	Farmington Indian Minerals Office
FIPS	Federal Information Processing Standards

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## **Acronyms and Abbreviations**

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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
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
IEMSC	Indian Energy & Mineral Steering Committee
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

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## **Acronyms and Abbreviations**

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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
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
MRAD	Mineral Royalty Accounting and Distribution
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
NIOGEMS	National Indian Oil and Gas Evaluation and Management 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

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### **Acronyms and Abbreviations**

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OME	Office of Minerals Evaluation within NBC
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
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
RACA	Regulatory Affairs and Collaborative Action
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
SOW	Statement-of-Work
SPRO	Southern Plains Region office
SSA	Social Security Administration

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### **Acronyms and Abbreviations**

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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
TCIS	Treasury Check Information System
TESC	Trust Executive Steering Committee
TFAS	Trust Fund Accounting System
TFR	Trust Fund Receivable
TIR	Trust Image Repository
TPMC	Trust Program Management Center
TRAC	Trust Tracking and Coordination
Treasury	Department of the Treasury
TRM	Technical Reference Model
TRO	Temporary Restraining Order
TSPP	TAAMS Spatial Pilot Project
U&O	Uintah & Ouray
U/FAS	Undivided/Fractionated Appraisal System
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