



# DOI Trust Reform Initiatives

## Presentation to the National Commission on Indian Trust

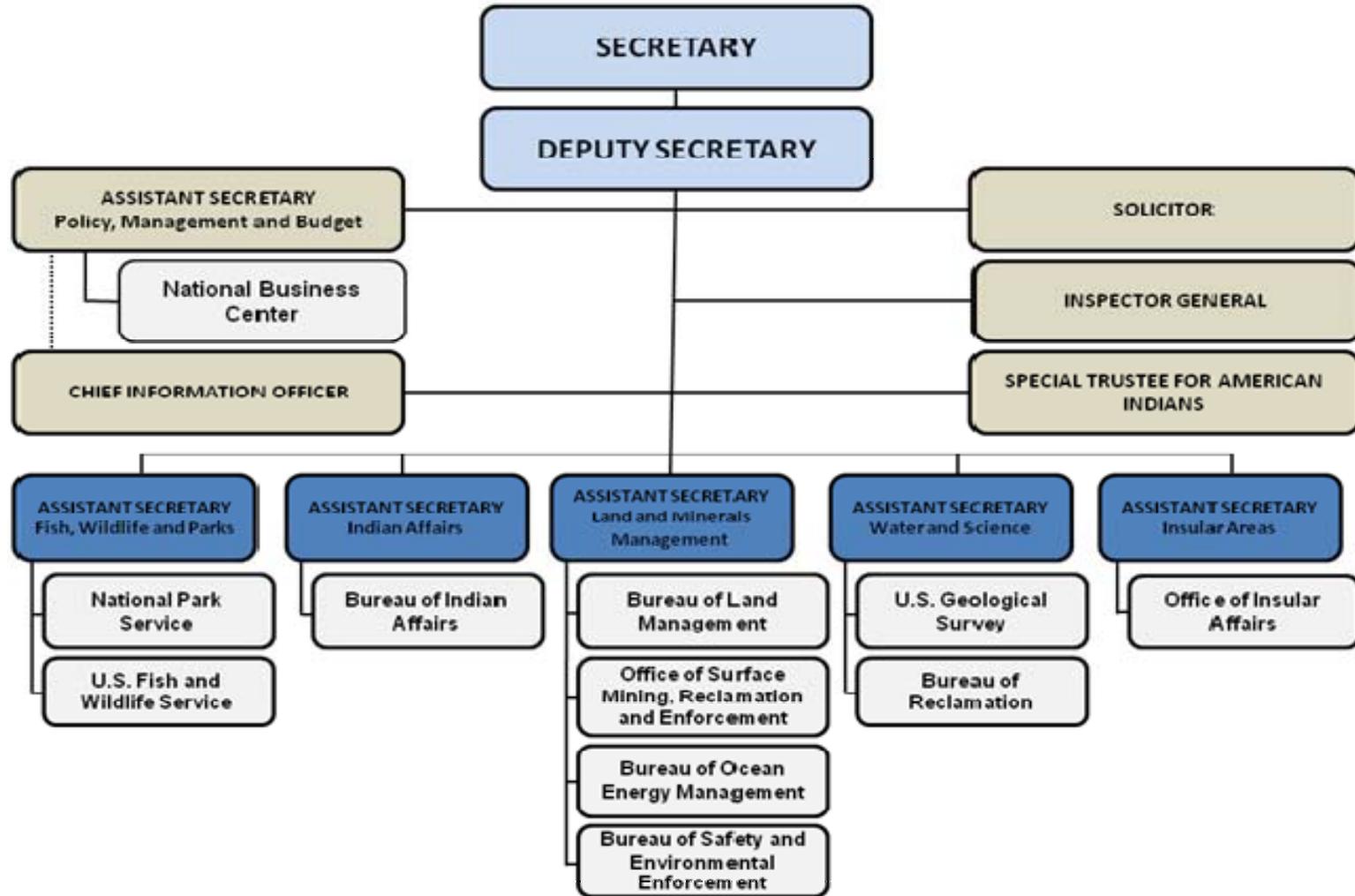
**Michele Singer, Acting Principal Deputy Special Trustee and  
Michael Black, Director, Bureau of Indian Affairs**

**Washington, D.C.  
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# Overview

- ▶ Historical information
- ▶ DOI Organization Chart
  - Bureau of Indian Affairs (BIA)
  - Office of the Special Trustee for American Indians
- ▶ High Level Implementation Plan (HLIP)
- ▶ Comprehensive Trust Management Plan (CTMP)
- ▶ Fiduciary Trust Management (FTM)
- ▶ On-going Trust Reforms

# DOI Organizational Chart



# History Overview

- ▶ General Allotment Act of 1887
- ▶ Repudiated by the IRA of 1934
- ▶ The Indian Self-Determination & Education Assistance Act of 1975, Public Law 93-638
  - The Indian Tribe Self-Governance Amendments of 1994
- ▶ Fractionization
- ▶ *Cobell v Babbitt*, 30 F. Supp. 2d 24 (D.D.C. 1998)

# History Overview

- ▶ To help solve this management problem and others Congress enacted:
  - The American Indian Trust Fund Management Reform Act of 1994 (Reform Act)
  - Indian Land Consolidation Act Amendments of 2000
- ▶ Congress specifically directed the trustee-delegate, the Secretary of the Interior, to establish within DOI, the OST to “oversee and coordinate reforms within the Department.”

# History Overview

- ▶ 1998 – January 2002 DOI's Indian fiduciary trust reform efforts focused on completing the Trust Management Improvement Project
  - High Level Implementation Project (HLIP)
  - The HLIP detailed numerous trust management reform tasks

# History Overview

- ▶ DOI initiated trust reform planning efforts in 2002
  - Secretary Norton created:
    - Office of Historical Trust Accounting (OHTA)
    - Office of Indian Trust Transition (OITT)
- ▶ DOI commissioned an independent study
  - Electronic Data System (EDS)
  - Concluded: previous trust reforms not satisfactory
  - Recommended options for improvement

# History Overview

- ▶ July 2001 – Office of Historical Trust Accounting (OHTA) created
- ▶ October 2001 – Charter for Trust Reform signed by BIA & OST

# History Overview

- ▶ January 2002 – The Secretary, through the Office of Indian Trust Transition (OITT), launched an effort to develop a comprehensive approach for improving Indian trust management that included:
  - OST, BIA, OITT
  - Developed a set of goals, objectives, and tasks for Indian trust management based on:
    - Statutes, regulations, guiding principles in the Department manual, and reports from EDS

# History Overview

- ▶ May 2002 – Effort was expanded and a DOI-wide strategic planning team was created
  - Included representatives from national and regional offices:
    - OST, BIA, BLM, MMS (now ONRR)
    - From May 2002 thru Dec 2002, the team met to review & update the goals and objectives
    - Goals & objectives were presented to the DOI/Tribal Leaders Task Force for approval
- ▶ Planning efforts led to the development of the CTMP

# DOI/Tribal Leaders Task Force

- ▶ Two tribal representatives from the 12 BIA Regions
- ▶ Representatives from DOI National and Regional Offices
  - SOL, OCL, BIA, OST, MMS (now ONRR), and BLM
- ▶ The Secretary had recommended organizational changes in both BIA and OST
- ▶ April 2003 Reorganizations to both bureaus resulted in creating Deputy Superintendents for Trust Services and Fiduciary Trust Officers

# DOI/Tribal Leaders Task Force

- ▶ Task Force: the last Secretarial task force to review and evaluate the state of Indian trust reform prior to the current National Commission on Indian Trust

# DOI Trust Reform Initiatives

- ▶ American Indian Trust Fund Management Reform Act of 1994 (“Reform Act”)
- ▶ Original statutory responsibility of OST was two-fold:
  - Provide department-wide oversight of Indian trust management reform
  - Ensure implementation of statutory fiduciary and accounting duties prescribed in Reform Act

# DOI Trust Reform Initiatives

- ▶ 1995 – Congress expressed its intention to expand OST’s role to include operational functions
- ▶ After consultation Congress decided that only financial activity would be moved from BIA to OST
- ▶ February, 1996 – Transfer effected by Secretarial Order No. 3196
  - Office of Trust Funds Management and BIA fiduciary financial field staff moved to OST
  - BIA retained responsibility for managing non-financial trust assets

# DOI Trust Reform Initiatives

- ▶ Focused on 13 major subprojects:
  - IIM administrative data cleanup
  - BIA data cleanup and management
  - Elimination of the probate backlog
  - BIA appraisals
  - Trust Funds Accounting System (TFAS)
  - Trust Asset and Accounting Management System (TAAMS)
  - Office of Natural Resource Revenue's (formerly MMS) systems reengineering

# DOI Trust Reform Initiatives

- ▶ Focused on 13 major subprojects (continued):
  - Indian trust records management and retention
  - Revised policies and procedures
  - Trust management training
  - Internal controls
  - Cadastral surveys
  - Issues identified by the Court in the *Cobell* case
    - *Status Report to the Court* (i.e., “Quarterly Reports”)

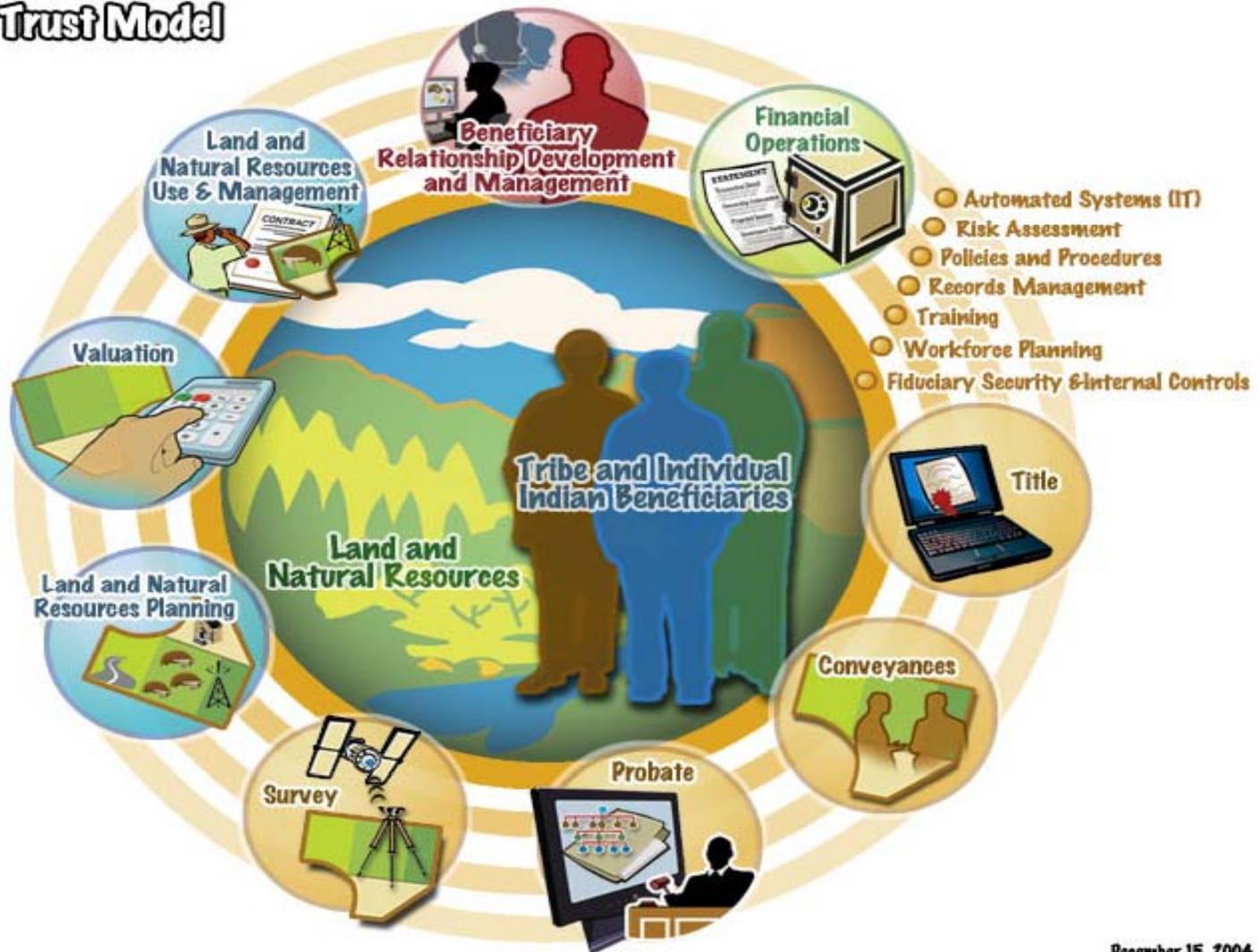
# “To-Be” → Fiduciary Trust Model

- ▶ The purpose of the FTM was 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 and improves the working environment of employees

# “To-Be” → Fiduciary Trust Model

- ▶ The Fiduciary Trust Model (FTM) was designed to enhance beneficiary services for:
  - Tribes and individual Indians
  - Ownership information
  - Land and natural resource assets
  - Trust fund assets
  - Indian self-governance and self-determination and
  - Administrative services
- ▶ FY 04 – 05, the FTM was implemented throughout the Interior

# Fiduciary Trust Model



Version 1.0

December 15, 2004

# FTM Best Practices Implemented

- ▶ Industry standard Trust Systems (i.e., TFAS, TAAMS, ProTrac)
- ▶ Risk Management & Assessments
  - 3-Pronged Approach
- ▶ Trust Beneficiary Call Center (Beneficiary Relationship)
- ▶ Streamlined & standardized business processes (i.e., automation, reengineering)

# FTM Best Practices Implemented

- ▶ Centralized lockbox & automated distributions
  - Pay.Gov
- ▶ Direct Deposit & Debit Cards
- ▶ New or revised Policies & Procedures
- ▶ Revised Regulations
- ▶ Lease compliance activities
- ▶ Enhanced statements of performance

# Trust Reform Initiatives

- ▶ December 7, 2009 – the Department negotiated a comprehensive Class Action Settlement Agreement in the *Cobell v Salazar* litigation
- ▶ December 8, 2010 – Public Law 111-291 (124 Stat. 3064), President Obama signed the Claims Resolution Act into law.
- ▶ December 21, 2010 – Upon joint motion by the parties, the Court entered an order preliminarily approving the Settlement Agreement.
- ▶ July 27, 2011 – Order signed granting file approval to the Settlement.

# BIA Mission

- ▶ The Bureau of Indian Affairs (BIA) mission is to:  
*"... enhance the quality of life, to promote economic opportunity, and to carry out the responsibility to protect and improve the trust assets of American Indians, Indian tribes, and Alaska Natives."*

# Indian Self-Determination and Education Assistance Act of 1975, 25 U.S.C. §§ 450a-450n

- ▶ Authorized Secretary of Interior and Health, Education and Welfare to enter contracts with Tribes under which the tribes would assume responsibility for administration of federal Indian programs.
- ▶ New era in the relationship between the Federal government and Indian tribes
- ▶ Programs, services, function and activities (PSFA)

# OST Mission

- ▶ To perform our fiduciary trust responsibilities to American Indian tribes, individual Indians, and Alaska Natives by incorporating a beneficiary focus and beneficiary participation while providing effective, competent stewardship and management of trust assets

# Ongoing Initiatives

- ▶ Land ownership & use initiatives
- ▶ Probate
- ▶ Financial Operations initiatives
- ▶ General Management initiatives
- ▶ General technology initiatives

# Efficiency Study

- ▶ Awarded to Booz Allen Hamilton (BAH) in December 2011
- ▶ Expected to be completed beginning of April 2012
- ▶ Evaluating OST's core functions
- ▶ Providing detailed recommendations to improve operational function, efficiency, and internal controls

# Trust Executive Committee (TEC)

- ▶ TEC held its first meeting in October 2011 to review Indian trust related processes
- ▶ Will evaluate short, medium, and long term goals, such as:
  - Evaluations of TAAMS and TFAS
  - Evaluating “end-to-end” processes for various DOI Trust activities

# Tribal Consultation Policy

- ▶ BIA/OST currently working on implementing *DOI Policy on Consultation with Indian Tribes*.
- ▶ Resulted from Executive Order 13175 (Nov. 2009) and Secretarial Order 3317 (Dec. 2011)
- ▶ Currently reviewing operational activities to promote tribal consultation and collaboration in bureau decision-making
- ▶ Meaningful tribal input will improve federal decision-making process



# *Thank you!*

For More Information Please  
Contact:

Michael Black, Director  
Bureau of Indian Affairs

[Mike\\_Black@bia.gov](mailto:Mike_Black@bia.gov)

(202) 208-5116

Michele Singer,  
Acting Principal Deputy  
Special Trustee

[Michele\\_Singer@ost.doi.gov](mailto:Michele_Singer@ost.doi.gov)

(202) 208-4866