

**STATEMENT OF
VINCENT LOGAN
NOMINEE FOR THE POSITION OF
SPECIAL TRUSTEE FOR AMERICAN INDIANS
UNITED STATES DEPARTMENT OF THE INTERIOR
BEFORE THE
SENATE COMMITTEE ON INDIAN AFFAIRS
UNITED STATES SENATE**

DECEMBER 11, 2013

Thank you, Madam Chairwoman, Vice-Chairman Barrasso, and Members of the Committee. My name is Vincent Logan, and my Osage, or Wah-zha-zhe, name is Hunka-zhe-na-zhe. I am honored to appear before you today seeking your confirmation for my nomination to serve as Special Trustee for American Indians. As a member of the Osage Nation, I am honored to have Assistant Principal Chief of the Osage Nation Scott Bighorse here to introduce me. Thank you Assistant Chief.

With me today are my sister, Jeanine Logan, who traveled here from Oklahoma, and my partner, Dr. Steven Lieberman, who came down from New Jersey. Jeanine is an attorney with the Social Security Administration's Office of Disability Adjudication and Review in Oklahoma City. Jeanine also serves as Associate Justice on the Osage Nation Supreme Court. Steven is Chief of Staff for the Veterans Affairs New Jersey Healthcare System. Steven has received numerous awards and commendations for his service to our heroes. Jeanine and Steven, through their many years of public service, have been an inspiration to me and have provided me guidance in my professional career, and I would like to thank them both here today.

I was born in Pawnee Indian Hospital in Oklahoma, raised in Norman, but have spent the majority of my life as a New Yorker. I received my education at Oklahoma State University, the University of Oklahoma College of Law, and Columbia University's School of International Affairs.

I come from a family dedicated to serving the public, both in military service and government service, which makes me both proud and humble. My parents served this country during World

War II and are interred not far from here at Arlington National Cemetery. My father, Oscar Logan Jr., joined the United States Marine Corps and fought with the Fifth Division on Iwo Jima where he was critically wounded. He was awarded the Purple Heart for his combat service. He later worked for the Indian Health Service and for the Osage Nation. My mother, Della Morrell Logan, served in the United States Army during World War II as a nurse stationed here in Washington. After the war and while raising a family, she worked with State of Oklahoma Tax Commission and the Indian Health Service.

As for my other siblings, my brother Joe, served as a Captain in the United States Marine Corps, and retired from a career in public service with the State of Oklahoma. My sister Grace also retired from public service with the State of Oklahoma. My brother Kyle is a public high school teacher in Oklahoma City.

I am proud of my career in public service, which began after I graduated from law school and went to work for the State of Oklahoma Attorney General's Office in the Criminal Division. During the Clinton Administration, I worked in the United States Department of Justice, Antitrust Division, here in Washington.

Since leaving the Department of Justice I have worked in the private sector. I was a corporate finance lawyer for many years in New York. In 2006 I moved to the asset side of the balance sheet when I became a financial advisor. I am currently an investment consultant working with tribal nations, not only in investment matters, but also in economic development. My career, experience and expertise are germane to the Office of the Special Trustee for American Indians and to the position for which I am nominated in three distinct areas: law, investments, and, of course, Native Americans.

Let me begin by telling a brief story about how I came to the world of finance. I moved to New York to attend Columbia University. I arrived in the Big Apple full of optimism, a bit of fear and anxiety, and seeking a career in the international or diplomatic arena. But as they say, the best laid plans The wheels turned in another direction, and turned very fast for me. I was fortunate enough to be hired by law firm while in school and, as fate would have it, I was assigned to the shipping division. Being a son of the plains, and never on the ocean, I often used the word 'boats', to the chagrin of my colleagues. Thus began my career in finance.

I spent fifteen years in corporate law in New York, specializing in finance, mainly aircraft, shipping, and big ticket equipment. While I found that work very rewarding, I was always a bit disappointed that my career didn't involve Indian Country, and there was certainly no way of having a successful legal career in New York with a tribal business at that time.

What happened next is what leads me to be seated in front of you today. I was attending the annual Federal Bar Indian Law Conference, and was at the luncheon. I was seated next to a tribal leader and he told me about his tribe's investments with a local bank. He said they didn't know anyone by name at the bank and certainly didn't know how the money was invested. He asked me if I knew anything about investments. And by coincidence, another tribal leader at the same table overheard our conversation and asked me if a fee of one hundred and fifty basis points was high, or was that usual for a tribal account. I couldn't answer them – and that is what I told them.

I went back to New York puzzled, perplexed, call it what you will, by that conversation but definitely focused on finding out more about the investment industry, not because of intellectual curiosity, but because I could see on those men's faces that they were troubled by how the tribe's reserves were being managed.

Fortunately, the law firm at which I then worked, Schulte Roth & Zabel, was and remains the pre-eminent investment management law firm in the world. I spoke to partners about my concerns with tribal investing and it became clear to me that if I wanted to be part of the tribal investment world, I would need to leave the legal world and move to the world of investment management.

I needed training and licensing in the securities industry. I was picked to be part of the Merrill Lynch Private Banking & Investment Group program where I received excellent schooling and mentoring in key areas such as investment policy preparation, asset allocation, performance measurement, risk analysis, and above all, fiduciary duties for investment advisors.

I have spent the last eight years in this industry and have worked with many clients, including several tribal nations, varying from small accounts to large tribal reserve funds. I have helped tribal leaders draft investment guidelines, select asset managers, collateralize tribal funds for casino expansion projects, and have provided general asset guidance. Over the years, I have

heard of instances of credulity in investment decisions by some tribal officials and unscrupulous business practices, but personally, I have not witnessed that. Rather, I have seen investment decisions made with full understanding of the product and associated risk. That is the business approach I was taught and that is what I practice.

As it turns out, after years in this industry, I have found that I am more quantitative and analytical in nature, which I have put to good use working for tribal nations. The investment industry is very complex, with many levels of expertise required, and the complexities and personalities are difficult to manage unless one has an advisor who puts his or her clients' interests first. I know I have always done so.

However – and this is what I consider to be the most fulfilling aspect to my professional career – I have been part of the investment education movement in Indian Country. I have committed my business and offered my professional services to helping tribal leaders learn the business of investments. My business value proposition is this: tribes should look to the university endowment model in handling their investments, and even look at some of the sovereign wealth fund strategies, but only after edification in boardmanship and governance, the adoption of investment guidelines, and building internal capacity and capabilities.

Further – and this has been equally fulfilling – I am committed to investment education for tribal individuals and tribal youth. Having spent years throughout Indian Country I am acutely aware of the challenges our tribal people face, particularly our children. I speak to Native kids candidly about money, savings, and careers. I developed my own program called “Your First Paycheck” based on my own experience as a kid growing up in Oklahoma and getting my first paycheck through the Comprehensive Employment and Training Act program.

A lack of financial guidance for youth, either in Indian Country or elsewhere in the United States, exacerbates many of the social ills we see. We also have a lack of guidance at home, or the “dinner table talk” as I call it, particularly in Indian Country, when parents can teach their children about money, work, and savings. Absent that, it is imperative – no, it is our duty as Indian Country investment professionals – to support and participate in financial education for tribal leaders and individuals. Our future is at stake, and the lack of investment knowledge will limit our capacity to build self-sustaining communities.

As I mentioned earlier, I am a member of the Osage Nation. My ancestors include hereditary Chief William Penn and Way-Hu-Hah-Kah, both signers of the Constitution of the Great and Little Osages in 1881. My great, great grandfather, Frank Corndropper, was a member of the original Osage Tribal Council and my ancestors have been a part of the Osage leadership since that time. Another ancestor is legendary Chief Wah-Ti-An-Kah, whose leadership and vision was critical to my people moving to Oklahoma.

The discovery of oil under our reservation, and the resultant effects on our people and our land, are well-documented. The fact that the Osage mineral estate was put in trust in 1906, with the United States as Trustee, has to be considered one of the most important events in the tribal/federal relationship because of the sheer magnitude of the wealth that was generated. Hundreds of millions of dollars in revenue have been distributed to the Osage people over the past hundred years or so, and billions more remain untapped. The Osage Mineral Trust is just one part of the heritage of my Osage people, but it's indisputably what we are most known for and what garners the most attention. The Osage people are well-aware we are inexorably linked to the United States because of this special trust relationship, as are many other tribal communities.

There is certainly no need to discuss the importance of the special trust relationship between the United States and the various tribal nations, as this has been much discussed in this chamber and before this esteemed Committee, and it is, obviously, the reason we are here today. Let me merely state that I am well aware of the importance of the trust relationship and I would be most honored, if confirmed, to serve as the Special Trustee for American Indians.

I do have a brief personal story about this special relationship. My first experience in hearing of the "trust" was in the 1960s when I went with my parents to the Osage Agency regarding an account issue. I recall meeting the Field Solicitor and hearing them discuss monies and accounts. Such was my introduction to this relationship. Furthermore, I have been a shareholder in the Osage Mineral Trust since 1986. As such, I'm acutely aware of the special relationship between the Osages, the United States vis-à-vis the Department of the Interior, as Trustee, and the Office of the Special Trustee for American Indians, or the "OST" as it's called.

As for the history of the OST, I don't believe it is necessary to discuss in detail the efforts of the late Elouise Cobell or discuss the *Cobell* litigation and settlement, or the Osage Trust Case or any other tribal trust cases. Suffice it to say that these matters are well-documented and have been a part of the Indian Country dialogue for many years.

What I would like to consider is the OST going forward. The American Indian Trust Fund Management Reform Act of 1994 created the OST to improve the accountability and management of Indian funds held in trust by the federal government. As trustee, the Department of the Interior has the primary fiduciary responsibility to manage both tribal trust funds and Individual Indian Money accounts.

One of the Secretary's trust responsibilities is to protect and preserve Indian trust assets. If confirmed as Special Trustee for American Indians, I will oversee the management of the trust assets using my experience and knowledge to the best of my ability, bearing in mind that, with respect to investments, there are a multitude of outside factors to consider, many of which are organic and ever changing.

Going back to my training at Merrill Lynch, it is said that the first principle of investing is capital preservation and the foremost risk to an investor is inflation. These remain the basics of investing and this is the starting point industry-wide and certainly part of my investment approach. If confirmed, I will protect and preserve Indian trust assets from loss, damage, or depletion.

Furthermore, as for the trust principles of the Secretary, as stated in the Departmental Manual and published on the OST's website, if I am confirmed for this position I will carry out my responsibilities as the Special Trustee with a duty of care of the highest level of competence, professionalism, and thoroughness. I will act solely in the interest of the beneficiaries and this applies to all of the obligations, duties, and responsibilities that the OST has been given, granted, and assigned. And I will work with and support the efforts of the Secretarial Commission on Indian Trust Administration and Reform.

Madam Chairwoman, Vice-Chairman Barrasso, and Members of the Committee, thank you for considering my nomination to this important position. I look forward to working with you and I am happy to answer any questions that you may have.