

New Director of Trust Review and Audit

Larry Morrin is the new Director of the Office of Trust Review and Audit (OTRA). Reporting directly to the Special Trustee for American Indians, Director Morrin brings to his position a long history of work on American Indian issues.

Prior to joining the Office of the Special Trustee for American Indians (OST), Director Morrin was with the Bureau of Indian Affairs (BIA) for 30 years. He was the BIA's Southwest Regional Director before joining OST and the Midwest Regional Director from 1997 to 2004. He has been involved with trust reforms for years. He helped develop the Indian Land Consolidation Project in the mid 1990s when he worked for the BIA in Washington, D.C., as Division Chief for Real Estate Services.



Larry Morrin

Director Morrin, a member of the Red Cliff Band of Lake Superior Chippewa, grew up in Wisconsin on the Red Cliff Indian Reservation and then in the nearby town of Bayfield, which is where he met his wife. He has a degree in integrated natural resources management with a specialty in environmental law enforcement. He started his career at the Great Lakes Agency. The Director

says, "It has been a really good career that has been fun and very fulfilling. I like having an impact right down to the reservation level!"

Although it's too soon for Director Morrin to identify how the focus of the new administration will impact management of OTRA, he knows change is coming. However, he looks forward to it and is open to whatever is ahead. He believes OTRA can help improve services by proactively resolving identified deficiencies. He looks forward to working in concert with OST and BIA. He's here to help!



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Everyone is curious about the new guy.

Fractionation Update

The Intertribal Monitoring Association (ITMA) continued to hold well-attended meetings through December 2008 regarding solutions to the issue of land fractionation. At a meeting on January 9, 2009, attended by tribal leaders and representatives, ITMA presented their recommendations, which included funding for consolidation efforts; tribal management authority over land consolidation; incentives for sellers; and options to address lands held by Whereabouts Unknown persons, unclaimed property, and appraisal concerns.

The report will be reviewed by a working group that will include Congressional staff and representatives of tribes, individual Indian allottees, and tribal land organizations. The working group will propose one or more options to Indian country.

Examining the Books!

Who monitors and verifies that fiduciary trust standards are being met? That's the job of the reviewers and auditors with the Office of the Special Trustee for American Indians' (OST) Office of Trust Review and Audit (OTRA). They might be considered the eyes and ears of the Special Trustee. In a phrase, employees of OTRA continually look for Indian trust assets that may be in "imminent jeopardy."

While an audit is typically weighted toward financial data, an OTRA review is an evaluation geared toward determining the accuracy of transactions or land title updates. Reviews are part of Indian trust examinations, which are independent examinations that ensure the trust responsibilities of the Secretary of the Interior are being carried out. An examination reviews an agency or self-governance tribe on its:

- Quality of operation,
- Compliance with laws and regulations,
- Management capacity, and
- Adherence to the Secretary's Fiduciary Trust Principles for Managing Indian Trust Assets (<http://elips.doi.gov/elips/release/3346.htm>).

OTRA teams usually consist of two to four people who go out once a month to review an agency or a self-governance tribe. Reviewers have seen improvements to processes that have been a direct result of reviews and that tribes have used reviews to initiate changes and improvements. Therefore, reviews are generally viewed as positive events.



Puget Sound
Northwest Forestry Review

There are two members of OTRA, Kathy Mendez and Marshall Thomas, who specialize in the audit of trust records. Kathy came to the OST in 2002 from the Indian Health Service. She has a degree in medical records administration. Marshall saw the need for improved records management when he worked as the

treasurer with his tribe, the Pueblo of Laguna. He holds a bachelor's degree in electronic engineering and worked at Sandia National Laboratories before joining the Bureau of Indian Affairs (BIA) in 2000. He moved to OST's Office of Trust Records (OTR) in 2003.



Vegetable Crops on Allotted Land in Fort Yuma, Arizona

While with the OTR, Marshall led the records assessment team. The team's biggest challenge prior to conducting the initial records assessment was to develop a questionnaire that would enhance compliance by targeting specific areas of the records management lifecycle. Upon completion of the questionnaire, the team was equipped with a tool to perform records assessments of the BIA and OST field offices.

Kathy noted that since they conduct interviews using a standard questionnaire, all participants are on the "same page." The standardization of policies, procedures, and practices makes compliance easier since everyone knows what is expected. After Marshall and Kathy complete reviews, they prepare "program specific" corrective action plans so those working with the records know what is needed to bring the records into compliance with the standards.

There is always more to learn about records. Kathy and Marshall participated in OST/OTR's first records management conference this year, where they offered training on preparing for record audits. They agree the conference filled a need and expect more attendees next year.

Would you like to know how OTRA's efforts can help your agency or tribe? Contact Larry Morrin, OTRA's Director, at 505-816-1278.

FY08 Audit is Online

The fiscal year 2008 audited financial statement for tribal and other trust funds and individual Indian money trust funds has been posted on the OST website at <http://www.doi.gov/ost/documents/audits.html>. KPMG LLP, an independent public accounting firm, performed the audit.

This year's audit revealed no new issues, only conditions that existed in previous years were carried over. These issues require legislative resolution, which OST is addressing.



Where There is a Will

Fiduciary Trust Officers (FTOs) are local primary points of contact for Indian trust beneficiaries. That responsibility is not taken lightly.

A beneficiary contacted FTO Henry Ware (Concho Field Office, Oklahoma) to ask how a gift deed could be completed quickly since she was to be admitted to a hospital in two days. FTO Ware advised the beneficiary that the gift deed process can be lengthy and could not be completed in the time available. He recommended that she have her will drawn up.



FTO Ware moved ahead to facilitate the urgently needed legal service. The beneficiary's will was completed the next day. She was grateful for the help *and* for the speed with which her requirement was met.

FTO Ware encourages beneficiaries to become familiar with the benefit of having a will *before* a critical situation arises. Ask your FTO about wills and estate planning options now. To find your FTO, click on the map on the Office of the Special Trustee for American Indians website at <http://www.doi.gov/ost/information/individual/finder.html>.

Advisory Board Approves Two Resolutions

The Advisory Board of the Special Trustee met January 15, 2009. The meeting was chaired by the Honorable Richard Milanovich, Chairman of the Agua Caliente Band of Cahuilla Indians in California. The Board passed two resolutions.

The first one resolved that the Office of the Special Trustee for American Indians (OST) should continue to operate in its present form until September 30, 2011, when trust reforms are expected to be completed. Ultimately, a qualified, career-status trustee would manage the office and would report directly to the Assistant Secretary of Indian Affairs.

The second resolution recommended a pilot project to address the problem of fractionation. The Department's Office of the Solicitor will provide guidance on a Limited Liability Entity solution that would allow individual owners of "highly fractionated" land (more than 20 owners) to voluntarily incorporate to form such an entity.

A list of Advisory Board members is available on the OST website at http://www.doi.gov/ost/about_ost/board.html. For additional information about the Board or its work, please contact Debby Pafel at 202-208-4289 or debby_pafel@ost.doi.gov.

AIPRA and Estate Planning

The Office of the Special Trustee for American Indians (OST) Fiduciary Trust Officer (FTO) Peter Fredericks (Laguna Agency) and Bureau of Indian Affairs (BIA) Ramah Navajo Agency Superintendent Anna Mae Pino collaborated to plan a day of training. Their goals were to help allottee landowners understand the effects of fractionation and solutions available through the American Indian Probate Reform Act (AIPRA) and land consolidation plans. AIPRA is a new federal probate code for Indian trust property. AIPRA became effective June 20, 2006.

FTO Fredericks met with BIA Ramah Agency staff and Ramah Navajo tribal realty officials for an initial planning meeting last September to discuss the idea. Since many of the local residents speak Navajo, it was decided that an AIPRA video in the Navajo language would be the center piece for the training. Added to the agenda would be a presentation on the probate process and gift deeds, a panel to answer questions, and a questionnaire to assess the needs of beneficiaries who attended the training. Assistance of appropriate subject matter experts was sought and they met to come up with the final training agenda.

The training was offered on November 12 and again on November 13, 2008, in the Ramah Navajo chapter house. More than 200 people attended.

Janet Yazzie (Navajo), an Attorney Adviser with the Department of the Interior's Office of Hearings and Appeals, Albuquerque office, presented the AIPRA video and a discussion on state law. Victoria Abeita, BIA Southwest Regional Legal Administrative Specialist, and Michelle Begay, Ramah Navajo Probate Specialist, provided a presentation on the probate process. Bertha Shorty, BIA Navajo Region Realty Officer and Dennison Henio, Director of Ramah Navajo Real Estate Services, presented a module on gift deeds.

There was a very practical exercise to demonstrate fractionation, which occurs due to numerous owners holding undivided interests in a tract of trust property. The exercise involved passing around a piece of paper that each audience member progressively folded and then tore in half, resulting in smaller and smaller pieces.

Woven through the day were additional question and answer sessions on BIA realty and services offered by OST. Assisting with the planning and questions were Sandy Ray, BIA Southwest Region Realty Specialist; Jerry DeGroat, BIA Navajo Region Realty Specialist; Christine Torres, BIA Southwest Regional Legal Administrative Specialist; Julia Redhouse, Accounting Technician, OST Southern Ute Agency; Olinda Mute, Accounting Technician, OST Eastern Navajo Agency; and OST FTOs John Roach (Southern Ute Agency), Virginia Moore (Navajo Region), and Elizabeth Sparks (Eastern Navajo Agency).

Each attendee received a survey/questionnaire. Attendees who responded indicated that help drafting a will is the highest priority. Also important to respondents is help with gift deeds. Several land issues, such as surveys, exchanges, and consolidation, were also of interest to those who completed the survey/questionnaire.

The success of this effort has prompted FTO Peter Fredericks to begin planning additional training sessions for other tribes in his area. To find out about wills and estate planning options in your area, contact your FTO by using the easy to navigate map on the OST website at <http://www.doi.gov/ost/information/individual/finder.html>.



Standing L-R: Charlotte Davis (BIA), Julia Redhouse (OST), Janet Yazzie (OHA), PJ Fredericks (OST), Sandy Ray (BIA), Anna Mae Pino (BIA), Dennison Henio (BIA)
Seated L-R: Bertha Shorty (BIA), Janet Pino (BIA), Christine Torrez (BIA), Betty Tippeconnie (BIA)