Indian Affairs - Office of Public Affairs

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The Lac Courte Oreilles Band of Chippewa Indians of Northern Wisconsin has taken action to correct accounting deficiencies and other irregularities in the administration of Federal funds received under contract with the Bureau of Indian Affairs, Interior Assistant Secretary Forrest J. Gerard said today.

A BIA audit, completed this spring, revealed several problems including the failure to maintain adequate records, violation of contract terms, unauthorized payments to a tribal official and a total lack of accounting controls.

In a letter to Wisconsin Senator Gaylord Nelson, Gerard noted that the tribe has hired a Controller and a Certified Public Accountant. It has also adopted by tribal resolution a financial management system proposed by the CPA firm of Braun and Preboske. Gerard also said that appropriate accounting systems, separate bank accounts and procedures for preventing unauthorized payments are being implemented.

Senator Nelson, in a July 1, 1976 letter to then Secretary of the Interior Thomas Kleppe, requested the BIA audit and has worked closely with both Departmental and tribal officials to resolve the difficulties.

The violation of contract terms, some of which involved unauthorized payments to a tribal official, were determined by the contracting officer to be allowable costs though they had not been charged to the right accounts nor properly documented.

Gerard noted that Indian tribes today are being required to deal with :increasingly complex financial management problems under the Federal Government's self-determination policy. "The variety of programs, regulations and agencies that a tribe deals with requires great expertise. One of our major goals, consequently, is to help strengthen tribal governments so they can effectively and efficiently administer their own programs. "

Because of the actions taken by the tribal governing body, the BIA lifted its suspension of contracts with the tribe.