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Interior Assistant Secretary Eddie Brown has ordered the Bureau of Indian Affairs to tighten the procedures for leasing of Indian lands in the Palm Springs, California, area and to put in place regulations specifically designed to fit long-term business leasing needs of the Agua Caliente Indian landowners.

"We have seen evidence of leases negotiated many years ago that do not meet today's market value. Future leases must contain provisions for escalation when land values skyrocket," Brown said.

"In other cases lessees have sub-leased properties for more than the value of the original lease at no additional profit to the landowner. We must have a system in place that fairly compensates the Indian landowner for the use of the land," Brown added.

Brown cited recent audits by Interior's Inspector General which found serious abuses in the~ leasing program. Many of the leases examined in the report go back many years and contain provisions that normally are designed for agricultural land leases, not business land leases. "Even some leases that had provisions for periodic reviews for rental free adjustment, had them too far into the future and with caps on adjustments," Brown said.

The Assistant Secretary for Indian Affairs said the recent establishment of a Field Solicitor's office in Palm Springs will assist BIA considerably by providing legal advice in lease negotiations and administration. Dan Shillito opened the new Palm Springs Field Solicitor's office on September 7, 1992.

Other actions the Bureau is taking to improve the leasing program include:

--Drafting of regulations specifically designed for long term business leasing in Palm Springs and the development of a manual that will fill voids in procedures.

--Development and implementation of compliance and collection policies: and procedures to improve business leasing activities. Default letters will be automatically generated as soon as a default c1ecurs, which will expedite the process and reduce errors.

--Making additional funds additional to develop a plan to provide recording and title services for the large volume of records being generated by the heavy leasing program.

During the past three years the staff of the Palm Springs Field Office ·has been increased from four to 25 and a Real Property Development Office has been established to market and negotiate new leases and renegotiate existing leases to fair market value. This will correct previous long term deficiencies in existing leases.

In 1991, the Palm Springs Field Office managed 943 master land leases and 25,600 subleases, which generated approximately $11 million annually for the Agua Caliente Band of Cahuilla Indians. The Palm Springs office recently negotiated a lease for 28 landowners on a parcel of land for resort development with an estimated investment value of almost $1 billion.