Indian Affairs - Office of Public Affairs

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Under Secretary of the Interior James A. Joseph has directed the Bureau of Indian Affairs to take action against the Red Lake Indian Tribe-- including the possible rejection of applications for federal grants and contracts--until the tribe allows auditors access to its

books to ensure federal funds are being properly spent.

Joseph asked the Department conduct a thorough review of the tribe's financial records following a disturbance at the Minnesota youths died of gunshot wounds 1 related to the disturbance. Member of a tribal faction took over the BIA's criminal justice facilities, held some hostages for several hours and eventually caused over $4 million in damages to several vehicles. Some tribal and private property was also damaged.

The unrest between tribal elements stemmed from actions of the Red Lake Tribal Council which removed the tribal treasurer from office. The treasurer's supporters condemned the action as illegal and also accused the tribal government of fraudulent use of federal funds.

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Joseph said that tribal officials agreed at a June 7 meeting to make tribal records available for a thorough audit of federally funded activities. But since then, efforts by auditors to gain access to the records have failed. On August 24, tribal officials were warned that continued denial of access to its records could result in the discontinuation of all federal contracts and funds to the tribe.

Noting that there may have been some initial confusion due to the various federal inquiries following the disturbance, Joseph said: "Any early misunderstanding on the part of tribal officials that the comprehensive federal audit had already been completed should now have been cleared up.