



Indian Affairs - Office of Public Affairs

Settlement includes land consolidation program to help promote tribal self-determination and strengthen economic development

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WASHINGTON, D.C. – Secretary of the Interior Ken Salazar today lauded the final approval of the Cobell settlement and outlined steps that Interior will take to help implement the historic \$3.4 billion settlement. The settlement resolves a long-running class action lawsuit regarding the U.S. government's trust management and historical accounting of individual American Indian trust accounts. It became final on November 24, 2012, following action by the Supreme Court and expiration of the appeal period.

“With the settlement now final, we can put years of discord behind us and start a new chapter in our nation-to-nation relationship,” said Salazar. “Today marks another historic step forward in President Obama’s agenda of reconciliation and empowerment for Indian Country and begins a new era of trust administration.”

The settlement includes a \$1.5 billion fund to be distributed to class members for accounting and potential trust fund and asset mismanagement claims. The settlement also includes a \$1.9 billion fund for a land consolidation program that allows for the voluntary sale of individual land interests that have “fractionated,” or split among owners, over successive generations. Fractionated land can have many owners – sometimes hundreds or more – diminishing the land’s value and making it difficult for individuals to use the land for agriculture, business development, or housing from which tribes can benefit. Up to \$60 million of the \$1.9 billion fund may be set aside to provide scholarships for American Indians and Alaska Natives to attend college or vocational school.

“This marks the historic conclusion of a contentious and long running period of litigation,” said Hilary Tompkins, Solicitor for the Department of the Interior. “Through the hard work and good will of plaintiffs, Interior and Treasury officials and Department of Justice counsel, we are turning a new page and look forward to collaboratively working with Indian country to manage these important funds and assets.”

Payments to Claimants

The Claims Administrator will now begin overseeing disbursement of the \$1.5 billion to nearly 500,000 class members. The court previously approved GCG, Inc., as the Claims Administrator. The Department of the Treasury will transfer the \$1.5 billion to an account at JP Morgan Chase, a bank approved by the court. Per the terms of the settlement agreement, Interior’s Office of the Special Trustee (OST) has assisted GCG with its database by supplying contact information of individual class members from its records.

“We will continue to work with GCG to ensure it has the information it needs to make expeditious and

accurate payments,” Deputy Secretary of the Interior David J. Hayes said. “At the same time, we’re focused on making meaningful improvements to our trust administration so that we’re more transparent, responsive and accountable in managing these substantial funds and assets.”

Trust Land Consolidation Program

The Department of the Interior will use \$1.9 billion from the Trust Land Consolidation Fund to acquire interests in trust and restricted lands that have “fractionated” over successive generations since the 1880s.

Individual owners will be paid fair market value for such interests with the understanding that the acquired interests will remain in trust and be consolidated for beneficial use by tribal communities. Interested sellers may convey their fractional interests on a voluntary basis. Currently, there are over 2.9 million fractional interests owned by approximately 260,000 individuals.

While the settlement was pending, Interior held a series of consultation meetings with tribes in 2011 to ensure that this landmark program incorporates tribal priorities and promotes tribal participation in reducing land fractionation in a timely and efficient way. These discussions informed a draft land consolidation plan released in February of 2012. Interior is incorporating public comments and expects to release an updated plan by the end of the year for additional consultation.

“The land consolidation program is our chance to begin to solve a fractionation problem that has plagued Indian country for decades,” said Interior Assistant Secretary of Indian Affairs Kevin K. Washburn. “We are anxious to get started. We know that Interior’s continued outreach through consultations with Indian Country is a crucial component to accomplishing truly open government-to-government communication”

Congress approved the Cobell settlement on November 30, 2010 as part of the Claims Resolution Act of 2010. President Obama signed the legislation on December 8, 2010. The district court approved the Cobell settlement on August 4, 2011 and it has been upheld through the appeals process.

For additional information about the individual class-action payments, please contact GCG, Inc. at 1-800-961-6109 or via email at Info@IndianTrust.com

For additional information on the Trust Land Consolidation Program, please visit <http://www.doi.gov/cobell/index.cfm>

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<https://www.bia.gov/as-ia/opa/online-press-release/salazar-announces-final-steps-cobell-litigation-and-implementation>