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WASHINGTON - Department of the Interior Deputy Secretary J. Steven Griles said today the Department is gratified by a ruling issued by the U.S. Court of Appeals for the District of Columbia - a ruling which largely reverses a U.S. District Court injunction issued more than one year ago in the long-running Indian Trust case. Today's ruling is now the third consecutive time that the circuit court has broadly reversed significant rulings by Judge Royce Lamberth in the case.

Today's appellate court ruling sharply limits the lower court's oversight role in the trust management activity of the Department. Today's opinion noted: "... the court may not micromanage court-ordered reform efforts undertaken to comply with general trust duties enumerated by the court, and then subject defendants to findings of contempt for failure to implement such reforms." The circuit court has already reversed an earlier contempt citation issued by the district court.

The ruling handed down today also sharply criticizes the district court's methods in imposing numerous compliance requirements on the Department saying "rather than acting to assure that 'agency action' conforms to the law, the [district] court has sought to make the law conform to the court's views as to how the trusts may best be run."

"The Department is pleased with today's ruling," Deputy Secretary Griles said. "This important ruling is a watershed victory for individual Indian account holders, for the Interior Department and its employees, for Congress, and for American taxpayers. With this ruling, the appellate court has recognized the Department's ongoing determination to fulfill its duties to account for individual Indian Trust funds."

"The Interior Department has invested hundreds of millions 6f dollars on this issue since this lawsuit was filed back in 1996," Griles said. "In recent years, the Department has conducted more than 30,000 intricate accountings of individual Indian money accounts, found almost no discrepancies exceeding $1, and no evidence of systemic accounting irregularities. When combined, the net of the discrepancies uncovered in this multi-million-dollar effort amounts to merely hundreds of dollars. It's no wonder, then, that the appellate court has repeated the concerns of Congress, which lead many to believe that the litigation is succeeding only in enriching accountants, lawyers and consultants while producing little benefit for actual Indian account holders."

The circuit court order vacates the district court's ruling last year which subjected Interior to a court specified historic accounting plan saying the order has no basis in current law. The order also vacates virtually all of the trust reform requirements imposed by the district court.

Today's ruling points to concerns raised by a committee of the U.S. Congress that the district court rulings were out of sync with congressional intent. In its opinion, the Court of Appeals noted:

> The committee "reject[ed] the notion that in passing the American Indian Trust Management Reform Act of 1994 Congress had any intention of ordering an accounting on

> the scale of that which has now been ordered by the Court. Such an expansive and expensive undertaking would certainly have been judged to be a poor use of Federal and trust resources." H.R. Conf. Rep. 108-330, at 118

The sharp reversal is the second such action in as many weeks from the circuit court. Last week, in vacating the district court's order disconnecting Interior's information technology [IT] systems from the Internet, the circuit court noted that "it was error to shift the burden of persuasion to the Secretary to show why disconnecting most of Interior' s IT systems was unnecessary to ensure the security of IITD [individual Indian trust data], and the error was not harmless."

The Court of Appeals has criticized the district court for attempting to "resolve the state of Interior's IT systems security without conducting a hearing on the evidence in dispute."

Deputy Secretary Griles said it was significant that today's ruling is the third consecutive occasion for the appellate court to reverse the district court in the landmark case.

"We endorse this court's clarion call for a final settlement - a settlement that would lift the cloud of uncertainty and false hope that has enveloped Indian country in the wake of this acrimonious case," Griles said.

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