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Ross Swimmer, the Assistant Secretary for Indian Affairs, has sent Indian tribes, organizations and Congressional leaders a nine-page paper that provides answers to 48 of the most commonly asked questions concerning a contract with Mellon Bank of Pittsburgh for trust fund services.

In an attached letter, Swimmer said he or his representative will be visiting each of the Bureau of Indian Affairs' (BIA) 12 area offices to meet with tribes and employees about trust fund changes.

In October of last year the U.S. Department of Treasury announced the selection of Mellon from a competition with other financial institutions to provide depository, accounting and investment services for the $1.7 billion the BIA holds in trust for tribes and individual Indians. The BIA is working with the Treasury Department to finalize a contract with the Mellon Bank.

Mellon was founded in 1869 and is the 12th largest bank in the nation. Its trust department is the third largest in the country and it does business in all 50 states.

Studies by government and private accountants dating back to 1982 have recommended improvements in the trust fund management program. Swimmer, who took office in December of 1985, moved quickly to use private sector information on services available that could assist the BIA in making needed improvements.

"Many of the benefits from the contract will be in the form of (improved) accounting and quicker investment of trust collections," the question and answer paper says. "BIA employees will have a direct access to information about collections, deposits, investments and earnings by account on a daily basis.

"Tribes and individual Indians also will benefit from immediate access to account information and improved reporting both in terms of quality and timeliness."

The contract will be for three years with an option to renew for two additional years. It is expected to cost around $4 million annually.

"Mellon's proposal of approximately $4 million is about what we spend (on trust fund services) but less than what it would cost the BIA to make the kind of improvements Kellon will provide," Swimmer told the United South and Eastern Tribes in Washington. D.C. earlier this month.

Swimmer said it is unlikely that many BIA employees will lose their jobs as a result of the contract. He said many of the employees affected can be absorbed within the Bureau during the contract's two year implementation and there will be a need for clerks at each BIA agency office as well as central office personnel to monitor the contract. Any reduction in force will be through attrition of jobs.

The Billings Area Office will be used as the test site for contract implementation. Swimmer told USET it will be up to two years before the contract is implemented fully at every area.

Swimmer discussed the trust fund improvements with tribal leaders in Portland Feb. 12 and in Billings

Feb. 13. He will speak with Oklahoma tribes Feb. 27 and will be in Phoenix the first week of March.