Media Contact: 0MB Contact: Kim Timmons Gibson (202) 395-3080; DOI Contact: Steve Goldstein (202) 208-6416

For Immediate Release: June 24, 1991

Print PDF

Secretary of the Interior Manuel Lujan, Office of Management and Budget (OMB) Director Richard Darman and the Intertribal Monitoring Association for Indian Trust Funds announced today the creation of a new OMB-Interior "SWAT" team. Its purpose is to address financial management problems associated with the $2 billion in Indian trust funds. The management problems include:

Failure to reconcile or audit the 300,000 trust fund accounts, some of which are more than 50 years old;

Erroneous allocations of receipts, erroneous payments to account holders, and failure consistently to invest trust fund balances;

Lack of credible accounting data; and,

Lack of proper oversight.

Indian trust account holders have alleged that mismanagement has resulted in sizable investment losses of trust funds.

Secretary Lujan stated: "Several months ago, the Department and OMB undertook a major initiative to correct serious deficiencies in the BIA accounting system for appropriated funds. That project is now well underway, and results are meeting expectations. The Department is now undertaking an initiative to establish financial accountability over the Indian trust funds. A major aspect of this initiative will be working with the Intertribal Monitoring Association for Indian Trust Funds, representing the community whose money has been put at risk by Trust Fund management."

Director Darman commented: "The government has a significant fiduciary responsibility with respect to the Indian trust funds. We must be able to assure the Indian community that tribal and individual Indian funds held in trust are accurately accounted for, reported, and invested."

The Intertribal Monitoring Association for Indian Trust Funds (the Association), a group representing a number of tribes that have funds invested with the Bureau of Indian Affairs (BIA), will be an active participant in this initiative. On June 18, 1991, a Memorandum of Understanding was signed between the Association and the BIA recognizing the Association. The Association will assist in developing long-term solutions to well known trust fund management problems. Any tribe with funds invested with BIA is eligible for membership in the Association.

A joint OMB-Interior action team will work with the BIA and the Association to:

Devise processes for managing the reconciliation, audit, and certification of tribal and individual Indian accounts;

Bring accounting practices up to government-wide standards;

Tighten financial and internal management controls;

Develop long-range accounting systems development and implementation plans; and,

Ensure related management, training, and administrative reforms.

The joint team will commence its work immediately. A report on an interim improvement strategy is scheduled for late July, with a comprehensive report to be issued by December 30, 1991.
