U.S. Department of the Interior - Minerals Management Service

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The Department of the Interior's Minerals Management Service (MMS) today announced it will increase the reimbursement of auditing costs from 50% to 100% for Indian Tribes participating in the Service's Cooperative and Delegated Audit Program. The program enables States and Tribes to join with MMS in providing additional audit coverage of revenues derived from oil, gas and other mineral leases.

"Mineral revenues of $120 million were collected from Indian leases last year," said Barry Williamson, MMS director. "Working together in this cooperative audit program, we can ensure that tribes continue to receive an accurate accounting of the money to which they are entitled."

Under provisions of the Federal Oil and Gas Royalty Management Act of 1982, fully reimburses States for costs of delegated audits, such as salaries and travel expenses. Current regulations, however, had limited reimbursement of cooperative agreements with Indian Tribes to 50%. The new regulations, which authorize full reimbursement to Indian Tribes, become effective April 12, 1991.

Williamson said the increase in reimbursement of cooperative audit costs is one of several program enhancements being implemented as part of MMS's Initiative for Indian Tribes and Allottees (UTA), a comprehensive program of improvements to Indian royalty management.

"MMS believes that full reimbursement of auditing costs will be an incentive to increased participation by other tribes involved in mineral development," said Williamson.

The MMS program of cooperative and delegated audits currently includes nine states: California, Colorado, Louisiana, Montana, North Dakota, Oklahoma, Texas, Utah, and Wyoming; and three Indian Tribes: the Navajo Nation, Southern Ute and the Northern Ute.

MMS is responsible for the collection, accounting, and disbursement of nearly $4 billion annually in mineral revenues from Federal and Indian lands.