

**TESTIMONY OF CORA JONES,
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BUREAU OF AFFAIRS, U.S. DEPARTMENT OF THE INTERIOR
FOR THE FIELD HEARING
ON THE PROCESSING DELAYS INVOLVING INDIVIDUAL INDIAN MONEY
ACCOUNTS BEFORE THE
COMMITTEE ON INDIAN AFFAIRS
UNITED STATES SENATE**

September 1, 2000

Good morning, Mr. Chairman and members of the Committee. My name is Cora Jones. I am the Regional Director of the Great Plains Regional Office for the Bureau of Indian Affairs (BIA). Accompanying me today is Larry Bodin, the Superintendent for the Standing Rock Agency. I am pleased to be here today to present testimony on behalf of the BIA concerning the processing delays associated with the Individual Indian Money (IIM) Accounts.

The Department of the Interior is the primary agency of the Federal Government charged with the responsibility to administer Federal Indian policy and fulfill the federal trust responsibility for American Indian tribes, Alaska Native villages and tribal organizations. Federal Indian policy and the trust responsibility are derived from the special legal and political relationship between the American Indian tribes and the Federal Government.

The BIA carries out trust responsibilities to tribes and individual American Indians in managing and administering trust assets for the exclusive benefit of tribal and individual American Indian beneficiaries. The BIA is responsible for managing natural resources trust assets and collecting proceeds from those resources on behalf of tribes and individual Indians from leases or sales of natural resources and a variety of other property transactions. In the case of individual Indians, funds are deposited in trust accounts and disbursed to the account holders or to third parties as authorized by the account holders or responsible party.

Historically, the Office of Trust Funds Management (OTFM) within the BIA maintained the IIM Accounts. In FY 1996, the Office of Trust Funds Management was transferred from the BIA to the Office of the Special Trustee pursuant to Public Law 104-134 and Secretarial Order 3197. This action established a separate line of authority over staff maintaining IIM Accounts at the local Agency Office. The Agency Superintendent no longer supervised the local Agency OTFM.

The OTFM has fully implemented a new trust fund system known as the Trust Funds Accounting System (TFAS). The delay in payments on the local level wasn't due to the use of the new trust fund system, but to a changed business practice with the use of the new system. This change removed the data entry capability from the local level to a centralized data entry process located in Albuquerque, New Mexico. The centralized data entry created a change to the processing of documents.

The local OTFM acquires the documentation from BIA to support the transactions and prepares code sheets. The local OTFM then faxes all of the underlying documents including the code sheets to OTFM in Albuquerque. The Albuquerque OTFM, then, reviews the documents and encodes the information into TFAS. The process is to ensure consistency and accountability.

We believe the implementation of the BIA's Trust Asset and Accounting Management System (TAAMS) will resolve the processing delays. A fully implemented TAAMS should provide for more efficient coordination between the BIA and OTFM.

That coordination can only be accomplished by clearly defined duties and lines of authority. A joint BIA and OTFM team is developing clear, consistent nation-wide instructions on what documentation is required for processing these payments. Due to the complexity and diversity of transactions which our respective staffs process, this Interagency Procedures Handbook cannot be completed for another 4-5 months. We

believe that the updated procedures will alleviate the late payments and delays which have been occurring at the field level.

The Standing Rock Agency currently has 9 people managing and processing trust transactions. Trust staffing at the Agency has not increased despite the growth caused by fractionation of land ownership, the increased accountability required by trust reform, and individual Indian's increasing activity in trust-related transactions. Our staff are funded under the BIA's Tribal Priority Allocations. We ask the Committee's support for the President's Fiscal Year 2001 budget request for the Bureau of Indian Affairs which would provide additional resources that are critically needed for Trust Services, Real Estate Services, Real Estate Appraisals and Probate as our budget nears final passage in Congress. We believe with modern trust accounting systems and sufficient personnel and training resources to handle day-to-day operations, our trust responsibilities to the UM account holders will be fully achieved.

Again, thank you for allowing me to provide, testimony on such an important issue. I would be happy to answer any questions you may have:.