

**Broken Trust**  
**They Can't Just Send Us A Figure Of How Much We Have**  
**Despite legislation allowing greater control, tribes have been slow to**  
**invest their trust funds**

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For decades, tribes complained to Congress about the way Washington managed their money.

But what happened when lawmakers tried giving them greater control?

Very little. Only a handful of 290 tribes have removed any trust assets from their accounts at the U.S. Treasury Department.

The reasons are at least twofold.

Eight years after Congress enacted the 1994 Trust Fund Management Reform Act, tribes are still struggling to determine how much they have in their accounts, said Rick Thomas, a councilman for the Santee Sioux Tribe of Nebraska.

"They can't just send us a figure of how much we have."

And many tribes have been forced to rely on the government for so long they lack their own investment experience.

"There is a long-ingrained almost indoctrination by the federal government that tribes are sovereign dependents," said Lynn Dee Rapp, an Oglala Lakota and senior vice president at Morgan Stanley investors in Rapid City, S.D.

Government officials tell tribes "they are better off leaving their money with the federal government," Rapp said.

Congress passed the act to help tribes get a proper accounting of their assets. It also allowed them to remove money from low-rate, government-backed securities and invest it in diversified portfolios earning higher rates of return.

But because most tribes remain hampered by the government's accounting practices, their assets are stuck in poor-performing investments.

"They can't provide the tribes or the individual account holders with an accounting," said Dan Press, a Washington attorney who helped draft the 1994 legislation.

"They can't tell you how much should be in your account. They can't provide an audit. They still don't have an accounts receivable system. So there's no way for an accountant to go back and determine whether you received all of the income from your land and assets."

A report completed by Arthur Andersen accountants in 1995 showed the government could not provide documentation for \$2.4 billion posted to tribal accounts from 1972 to 1992. Only partial documentation could be provided for another \$4 billion in disbursements for the same period.

Press called the Arthur Andersen report superficial because the real loss to tribal accounts has been in the government's failure to collect and deposit lease money -- an issue the accountants did not address.

In February, the Crow Tribe of Montana sued the Interior Department, rejecting the report and calling for a "full and complete accounting of the tribe's trust funds." It's one of about 20 suits by tribes requesting audits.

Only two tribes -- the Office of Special Trustee refused to identify them -- used the 1994 reform act to withdraw trust funds from government accounts.

Seven others -- Zuni Pueblo, Fort McDowell, Seneca, Northern Cheyenne, White Mountain Apache, Laguna Pueblo and Catawba nations -- found a new way to take control of their money.

They bypassed the BIA and instead sought congressional approval.

For the Zuni Pueblo of New Mexico, going through Congress provided a clean break from the BIA and its accounting practices.

"The primary reason we went through legislation is we didn't want to have the ties of BIA oversight on the funds, which would have still been there through the trust reform act," said Bryceson Pinto, the Pueblo's finance director.