



THE SECRETARY OF THE INTERIOR  
WASHINGTON

## MEMORANDUM

To: Special Trustee for American Indians  
From: Secretary *[Signature]*  
Subject: Trust Reform  
Date: April 17, 2002

This replies to your April 8, 2002, memorandum regarding the subject of "going forward on trust reform." As you have noted, I am clearly committed to a successful conclusion to Indian trust management reform and the installation of critically needed trust management practices and systems. While we have undertaken a number of initiatives to pursue these goals, I recognize that there are remaining challenges that will require continued senior management attention and commitment of resources.

In your memorandum, you support the concept of a single comprehensive organization dedicated to trust assets management. As you know, the Department proposed such an organization in the fall of last year. That specific proposal has received considerable criticism from Tribal leaders, and the issue is now being considered as part of an extensive and ongoing consultation process. Pending future decisions on a permanent structure, the Department has already taken alternative measures to create the functional equivalent of "a single comprehensive organization" by tasking Deputy Secretary Steve Griles with coordinating all trust reform and trust assets management activities throughout the Department. It is my expectation that you and other members of the senior management team involved in Indian trust matters will work closely with the Deputy Secretary to accelerate our attainment of the goals noted above.

Your memorandum also expressed an opinion regarding the "additional keys to successful trust management" including: executive leadership, accountability, project management, trust experience, and risk management/oversight. I agree that these are important attributes affecting the Department's relative progress in implementing trust reform.

Earlier in my tenure as Secretary of the Interior, I recognized that in the American Indian Trust Fund Management Reform Act of 1994, Congress had conveyed broad duties and responsibilities to the Special Trustee for American Indians. It seemed reasonable to believe that the Special Trustee would provide executive leadership to assist the Department in pursuing its trust agenda. Later, on July 10, 2001, I signed Secretarial Order 3232 to support further the Special Trustee's ability to exercise executive leadership, improve accountability and to ensure trust reform

projects were properly managed. Subsequently, it became apparent additional executive leadership would be required to coordinate trust reform and trust assets management activities throughout the Department, hence my decision to ask the Deputy Secretary to get involved.

Designating the Deputy Secretary as the executive leader for trust reform is also consistent with the President's July 11, 2001, Executive Order that established Chief Operating Officer responsibilities in each agency. These duties include "providing overall organizational management to improve agency performance." I have assigned the Chief Operating Officer duties to the Deputy Secretary.

In a recent letter to Tex Hall, you implied that OST operates independently of the Deputy Secretary. Let me clarify so that there is no question. The Deputy Secretary has broad authority to operate for me and with me in overseeing all of the Presidential appointees and other officials in the Department, in addition to his coordinating role on trust reform. Accordingly, you report to him in the same way you report to me.

In your memorandum, you offered to assume responsibility for completing an action plan and for assuming line authority over several projects. Frankly, your performance to date does not justify expansion of your responsibilities. Instead you should be focusing your efforts on strengthening your execution of tasks already assigned to you.

As you know, I have directed Ross Swimmer, Director of the Office of Indian Trust Transition (OITT), to be responsible for the action plan and for data cleanup, probate, trust systems and the development of the EDS business process analysis. I am confident that Mr. Swimmer is very qualified to undertake these duties, and I don't want to interrupt the progress that is being made by OITT under the leadership of Ross Swimmer and Donna Erwin. Therefore, OST should support this effort rather than undertake a duplicate planning process.

I also wanted to provide you with some general comments. Your initiative to have EDS review the status of trust reform was very helpful; EDS's independent evaluation pointed out a broad array of challenges for the Department to overcome. In the aftermath, however, instead of relatively ambiguous observations, I expected more robust contributions from OST in identifying concrete solutions or taking actions to improve program accountability. I expected that the Special Trustee would participate as an integral part of the senior management team to address these challenges; your memorandum and other feedback suggest otherwise. While OST's preparation of the quarterly reports to the Court has been a learning process over time, to the best of my knowledge the only report to have received any positive feedback is the Eighth Report supervised by Ross Swimmer.

Finally, I have asked the Deputy Secretary to review with you the relative performance of OST. I am concerned with several items including: projects that have been transferred to other organizations without material progress (collection of missing information, historical accounting, etc.); our most recent financial audit findings that suggest room for improvement (inadequate policies & procedures, unreconciled cash, trust fund and special deposit account balances); OST funding that was not provided in a timely manner to accommodate important trust initiatives

(Indian land consolidation, improving BIA computer systems security); and the Special Master's concerns over OST's records management program (policies & procedures, lost records, program objectives).

In conclusion, I trust that you can appreciate the need to make expeditious progress in trust reform and that we need to coordinate the Department's activities through the Deputy Secretary. The Special Trustee has a crucial role to play within the Department's senior management team. I expect you to improve your performance in working with the rest of our Departmental team to serve trust beneficiaries.

cc: Deputy Secretary