

OST Sender

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To: OST\_All

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Subject: All Employee Email on GAO Report

**A Message from Ross Swimmer, Special Trustee for American Indians**

I'm writing to let you all know that this week, the Government Accountability Office (GAO) issued a report on Indian trust reform, and OST. The report is titled "Indian Issues: The Office of the Special Trustee Has Implemented Several Key Trust Reforms Required by the 1994 Act, but Important Decisions about Its Future Remain." You may have seen some information about this report in the news. Some of these articles don't accurately reflect GAO's findings and instead are quick to criticize OST.

The truth is, I am quite pleased with the accuracy and detail in the report, and agree with its findings. The report reflects the hard work that you have been doing to improve the management of the Indian trust for beneficiaries. This year we will see even more accomplishments, as we complete the major implementations of IT conversions across the nation. It is because of your work that we have come so far. We all know there is much more work to be done--even after the conversions are completed, but today, the Indian trust management looks completely different than it did just ten years ago. I wanted to take a moment to thank you for all your efforts.

As the title implies, this GAO report covers our reform activities. It recognizes that virtually all trust reform requirements now have been addressed and that their implementation will be complete by the end of CY 2009. In the development of the report, GAO examined--and itemized--both OST's progress in implementing the trust fund management reforms that were required by the American Indian Trust Fund Management Reform Act of 1994, and the extent to which OST has used contractors in implementing these reforms. As well, GAO reviewed OST's strategic plans, contracting documents, and human resources policies and practices. In the development of the report, GAO officials interviewed a number of OST and BIA managers and tribal organizations.

In summary, GAO is recommending that Interior (1) provide the Congress with a timetable for completing the trust reforms and a plan for future trust fund operations once reforms are completed and (2) develop a workforce plan that proposes staffing levels and funding needs once trust reforms are completed. In commenting on a draft of the report, Interior agreed with GAO. I'm pleased to report that OST staff is already working to address these recommendations.

I invite employees to read the report, and also to note the list of 47 additional OST trust reform accomplishments that appears on page 37 and is attached to Interior's response. Many of you have played a vital role in the success of these reforms and your efforts are to be commended.

The summary, directly from the first page of the report is as follows:

**What GAO Found**

"OST has implemented several key trust fund management reforms, but has not prepared a timetable for completing its remaining trust reform activities and a date for OST's termination, as required by the 1994 Act. OST estimates that almost all key reforms needed to develop an integrated trust management system and to provide improved trust services will be completed by November 2007. Specifically, OST implemented a new trust funds accounting system for processing trust account funds, and BIA and OST are currently validating data for the trust asset and accounting management system for managing Indian land title records and leases for land with recurring income. However, the Special Trustee estimates that data verification for leasing activities will not be completed for all Indian lands until December 2009. OST's most recent strategic plan, issued in 2003, did not include a timetable for implementing trust reforms or a date for OST's termination. The Special Trustee notes that many OST functions, including trust fund operations, trust records management, and appraisal services, need to be performed after reforms are completed. If OST is terminated, these responsibilities would have to be transferred to another Interior office. OST plans to reduce expenditures primarily by terminating contracts once trust reforms are completed. However, OST has not yet developed a workforce plan that reexamines the expenditures and staffing levels needed for trust fund operations once trust reforms are completed.

OST has used contractors to perform many of its trust reform activities as a way to minimize the size of its permanent staff. In fiscal years 2004 and 2005, OST allocated \$89.7 million, or nearly 21 percent, of its appropriated funds to contracting. About 66 percent of contracting dollars from these 2 fiscal years went to two firms. Over \$31 million during this period went to the largest contractor, an Indian-owned 8(a) small business, by adding task orders through an existing contract. OST has primarily relied on Interior's National Business Center to award and manage contracts."

Please note that although the report summary references OST's termination, throughout the rest of the document, GAO acknowledges that the 1994 Act also provides the Special Trustee with the authority to recommend either the continuation or permanent establishment of OST if necessary for the efficient discharge of Interior's trust responsibilities.

The full report will soon be available on the Trust Portal, under the Library of documents, and is currently available online, at [www.gao.gov/cgi-bin/getrpt?GAO-07-104](http://www.gao.gov/cgi-bin/getrpt?GAO-07-104).

Thank you,  
Ross O. Swimmer  
Special Trustee for American Indians