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Accounting and Information
Management Division

B-280598

July 21, 1998

The Honorable Ben Nighthorse Campbell
Chairman, Committee on Indian Affairs
United States Senate

Subject: Indian Trust Funds: Status of Plan Development for Improving
Department of the Interior's Trust Fund Management

Dear Mr. Chairman:

As you know, to address Interior's long-standing Indian trust fund accounting and asset management problems, the Congress created the Office of the Special Trustee for American Indians (Public Law 103-412). The Congress required that the Special Trustee provide oversight of reforms within Interior, including development of policies, procedures, and systems. The Congress also required the Special Trustee to develop a comprehensive Strategic Plan to cover all phases of the trust fund business cycle—land and lease ownership determinations and recordkeeping, natural resource asset management, and trust fund management, including accounting and investment. In April 1997, the Special Trustee submitted a Strategic Plan to the Congress; but the plan was not fully supported by the Department of the Interior.

In an August 22, 1997, memorandum, the Secretary of the Interior indicated that he and the Special Trustee for American Indians have reached agreement on some of the initiatives proposed in the Strategic Plan. The memorandum outlined the Department's approach for improving Indian trust management and called for the development of a high-level implementation plan in 60 days.

As requested by your office, the purpose of this letter is to inform your Committee of the status of the Department of the Interior's efforts to develop the plan. The following information on the plan status as of July 16, 1998, is primarily based on our discussions with Interior's project manager for the trust improvement project who agreed that the following paragraph accurately presents the plan's status.

Development of the draft implementation plan is substantially complete. Written comments on the draft were requested on May 1 and additional

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comments were requested on July 10, 1998, from bureau, program, and departmental officials with Indian trust responsibilities. In addition, the Secretary of the Interior and other key department officials provided input on various aspects of the plan at steering committee meetings. A revised draft of the plan is being circulated within the department for final approval. The final implementation plan is expected to be issued by July 31, 1998. When we receive a copy of the issued plan, we will undertake the analysis of the plan that you requested in your June 4, 1998, letter to us.

We appreciate the opportunity to be of assistance to your Committee and look forward to working with you and your office in the future. If you have any questions, please contact me at (202) 512-8341 or Mike Koury, Assignment Manager, at (202) 512-3405.

Sincerely yours,



Linda M. Calbom
Director, Resources, Community, and Economic
Development Accounting and Financial Management Issues

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