



Highlights of [GAO-07-104](#), a report to congressional requesters

Why GAO Did This Study

The American Indian Trust Fund Management Reform Act of 1994 established the Office of the Special Trustee for American Indians (OST), within the Department of the Interior, to oversee the implementation of management reforms for funds—derived primarily from Interior’s leasing of Indian lands—that Interior holds in trust for many Indian tribes and individuals. Specifically, the act directs that an integrated information system be developed that interfaces the trust fund accounting system with the land title records and asset management systems maintained by Interior’s Bureau of Indian Affairs (BIA). GAO examined (1) OST’s progress in implementing the trust fund management reforms and (2) the extent to which OST has used contractors in implementing these reforms. GAO reviewed OST’s strategic plans and contracting documents and interviewed OST and BIA managers.

What GAO Recommends

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’s recommendations.

www.gao.gov/cgi-bin/getrpt?GAO-07-104.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Robin M. Nazzaro at (202) 512-3841 or nazzaror@gao.gov.

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

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 (see table). 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.

OST’s Key Trust Fund Management Reforms

Reform	Actual/Estimated completion date
Trust funds accounting system	May 2000
Trust beneficiary call center	December 2005
Trust portal	May 2006
Risk management program	March 2007
Trust funds receivable	November 2007
Trust asset and accounting management system:	
Land title system	January 2006
Leasing: Lands with recurring income	October 2007
Leasing: Lands without recurring income	December 2009
Appraisal management system	March 2007
Probate management system	June 2007

Source: OST.