IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

ELOUISE PEPION COBELL, et al.,	)	
Plaintiffs,	)	
v.	)	Case No. 1:96CV01285 (Judge Lamberth)
GALE NORTON, Secretary of the Interior, et al.,	)	
Defendants.	)	

NOTICE OF PROPOSED DEPARTMENT OF THE INTERIOR REORGANIZATION TO IMPROVE INDIAN TRUST ASSETS MANAGEMENT

Defendants hereby notify the Court of a reorganization process underway within the Department of the Interior ("Interior") to improve the management of Indian trust assets. The proposed reorganization results from concerted efforts by Interior to create a management structure that can effectively implement trust reform and eliminate problems identified by the Court, the Court Monitor, Interior, and Interior's consultant, Electronic Data Systems Corporation ("EDS").

In June 2001, Interior contracted with EDS to determine the current status of trust reform, identify business and technical issues, recommend improvements, and develop a schedule for future improvement efforts. Declaration of J. Steven Griles ("Decl.") ¶ 7.

EDS has submitted a report entitled "Interim Report and Roadmap for TAAMS and BIA Data Cleanup," dated November 12, 2001 ("EDS Report"). The EDS Report contains the following key recommendations for improving Indian trust asset management:

* Immediately appoint a single, accountable trust reform executive sponsor
* Develop an overarching trust operations business model
* Adopt an overall business and computer systems architecture

* Adopt a consistent information systems acquisition strategy
* Implement consistent technology frameworks, methods, and tools
* Establish a trust program management center
* Execute comprehensive staffing plans for all participating organizations

Decl. ¶ 8.

Concurring with a joint recommendation of the Special Trustee for American Indians and the Assistant Secretary - Indian Affairs, Secretary of the Interior Norton has directed Interior staff to begin the process of reorganizing Interior's trust asset management. Id. ¶ 9.

The proposed reorganization consolidates Indian trust asset management functions in a new agency: the Bureau of Indian Trust Assets Management. Id. ¶ 10. The proposed Bureau will report to an Assistant Secretary for Indian Trust Assets Management. The Special Trustee for American Indians will continue to perform oversight for the Department's trust reform efforts. The Bureau of Indian Affairs, under the supervision of the Assistant Secretary - Indian Affairs, will continue to provide those services to Indian tribes and individuals that are not related to trust assets. Id. ¶ 11.

The proposed reorganization impacts many interested parties. Interior has begun consultation with Indian tribes and with Congress. Appropriate notification to departmental employees and union representatives will occur on November 15, 2001. Also, candidates for the Assistant Secretary and the Bureau Director must be found. The Assistant Secretary must be nominated and confirmed. Id. ¶ 12.

Trust reform activities will continue during this transition process. The final organization structure will depend upon the results of the consultation process. Implementation will progress as soon as it becomes final. In the meantime, three key subprojects (TAAMS, BIA Data Cleanup, and Probate) will be supervised by Ms. Donna Erwin, previously Deputy Special

Trustee for Trust Systems and Projects, under a newly-created Office of Trust Transition in the Office of the Secretary. Planning for the transfer of the remaining subprojects is underway. Project resources needed in the short term are being identified and work with EDS to develop a business model is underway. Id.¶ 13.

Meanwhile, OHTA, created by Secretarial Directive on July 10, 2001, has proceeded on its announced schedule with its task of planning, organizing, directing and executing the historical accounting of IIM accounts. On September 10, 2001, OHTA issued a "Blueprint for Developing the Comprehensive Historical Accounting Plan for Individual Indian Money Accounts," which sets forth a description and timetable for completion of all steps necessary to staff and develop the plan for the historical accounting. On November 7, 2001, OHTA issued its "Report Identifying Preliminary Work for the Historical Accounting." It identifies work that is underway and work that can begin immediately to constitute an historical accounting and pilot test possible methods and assumptions about how to conduct the historical accounting, among other tasks. In the proposed reorganization, OHTA will be a line organization under the new Assistant Secretary. Id. ¶ 14.

Respectfully submitted,

ROBERT D. McCALLUM
Assistant Attorney General
STUART E. SCHIFFER
Deputy Assistant Attorney General
J. CHRISTOPHER KOHN
Director

SANDRA P. SPOONER
Deputy Director
JOHN T. STEMPLEWICZ
Senior Trial Counsel

Commercial Litigation Branch
Civil Division
P.O. Box 875
Ben Franklin Station
Washington, D.C. 20044-0875
(202) 514-7194

OF COUNSEL:

Sabrina A. McCarthy
Department of the Interior
Office of the Solicitor

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Defendants.	)	
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DECLARATION OF J. STEVEN GRILES

J. Steven Griles declares as follows:

1. I am the Deputy Secretary, United States Department of the Interior ("Interior").

2. Trust reform has been a major focus of my work on behalf of the Secretary of the Interior since I assumed office in July 2001.

3. At a hearing on October 30, 2001, the Court asked the Government to tell it who is in charge of trust reform. Under the existing trust management structure, the various functions of trust reform are spread among, primarily, the Office of the Special Trustee for American Indians ("OST"), the Bureau of Indian Affairs ("BIA"), and the Office of Historical Trust Accounting ("OHTA"). This dispersal of functions necessitates the assignment of overall authority to an official above these organizations in the chain of command, and I have undertaken that responsibility. However, as discussed below, the Department is currently reorganizing to align trust asset management functions in one, clearly focused bureau.

4. Congress tasked Interior, in the 1994 Indian Trust Reform Act, to improve Indian trust asset management and provide basic fiduciary services to trust beneficiaries. Plaintiffs filed this lawsuit in June 1996.

5. In July 1998, then-Secretary Babbitt published a High Level Implementation Plan ("HLIP") and, in February 2000, published a revised HLIP.

6. The current Special Trustee for American Indians, Mr. Tom Slonaker, took office in June 2000. The Special Trustee has had both oversight for all trust reform as well as some operational responsibility for trust reform and trust asset management.

7. Concerns about the viability of the revised HLIP led Secretary Norton, in June 2001, to commission an independent study of the Department's trust asset management and trust reform efforts. Interior contracted with Electronic Data Systems Corporation ("EDS") to conduct this evaluation. Interior tasked EDS to begin with an assessment of the Trust Asset and Accounting Management System ("TAAMS") and BIA Data Cleanup. EDS is also tasked to determine the current status of trust reform, identify business and technical issues, recommend improvements, and develop a recommended schedule for future improvement efforts.

8. EDS has issued a report entitled "Interim Report and Roadmap for TAAMS and BIA Data Cleanup," dated November 12, 2001 ("EDS Report"). The EDS Report contains the following key recommendations for improving Indian trust asset management:

* Immediately appoint a single, accountable trust reform executive sponsor
* Develop an overarching trust operations business model
* Adopt an overall business and computer systems architecture
* Adopt a consistent information systems acquisition strategy
* Implement consistent technology frameworks, methods, and tools
* Establish a trust program management center
* Execute comprehensive staffing plans for all participating organizations

9. Immediately following the EDS Report, the Special Trustee for American Indians and the Assistant Secretary - Indian Affairs issued a joint memorandum to Secretary Norton (copy, without attachments, is at tab A) recommending what they term "a dramatic change in organization and management structure for Indian trust reform and trust operations." Secretary Norton concurred with their recommendations and directed Interior staff to begin the process of reorganizing Interior's Indian trust asset management.

10. The proposed reorganization consolidates Indian trust asset management functions in a single agency separate from the OST and BIA: the Bureau of Indian Trust Assets Management. (A draft chart of the proposed organization is at tab B.) Segregating these trust functions is intended, as in the private sector, to facilitate the development of performance measures, processes, controls, and systems that are designed to meet Interior's fiduciary obligations.

11. The Bureau of Indian Trust Assets Management will report to an Assistant Secretary for Indian Trust Assets Management. This new Assistant Secretary will have authority and responsibility for Indian trust asset management. The Special Trustee will continue to perform oversight for Interior's trust reform efforts. BIA, under the supervision of the Assistant Secretary - Indian Affairs, will continue to provide those services to Indian tribes and individuals that are not related to trust assets.

12. The proposed reorganization impacts many interested parties. Interior has begun consultation with Indian tribes and with Congress. Appropriate notification to departmental employees and union representatives will occur on November 15, 2001. Also, candidates for the

Assistant Secretary and the Bureau Director must be found. The Assistant Secretary must be nominated and confirmed.

13. Trust reform activities will continue during this transition process. The final organization structure will depend upon the results of the consultation process. Implementation will progress as soon as it becomes final. In the meantime, three key subprojects (TAAMS, BIA Data Cleanup, and Probate) will be supervised by Ms. Donna Erwin, previously Deputy Special Trustee for Trust Systems and Projects, under a newly-created Office of Trust Transition in the Office of the Secretary. Planning for the transfer of the remaining subprojects is underway. Project resources needed in the short term are being identified and work with EDS to develop a business model is underway.

14. Meanwhile, OHTA, created by Secretarial Directive on July 10, 2001, has proceeded on its announced schedule with its task of planning, organizing, directing and executing the historical accounting of IIM accounts. On September 10, 2001, OHTA issued a "Blueprint for Developing the Comprehensive Historical Accounting Plan for Individual Indian Money Accounts," which sets forth a description and timetable for completion of all steps necessary to staff and develop the plan for the historical accounting. On November 7, 2001, OHTA issued its "Report Identifying Preliminary Work for the Historical Accounting." It identifies work that is underway and work that can begin immediately to constitute an historical accounting and pilot test possible methods and assumptions about how to conduct the historical accounting, among other tasks. In the proposed reorganization, OHTA will be a line organization under the new Assistant Secretary.

15. We will advise the Court as further actions are taken. As the official currently in charge of trust reform in the Department, I understand that reorganization by itself does not solve the numerous problems of trust reform, but it does provide an avenue for developing solutions.

16. I declare under penalty of perjury that the foregoing is true and correct.

Executed this 14th day of November, 2001.

J. Steven Griles

A

THE SECRETARY OF THE INTERIOR

WASHINGTON

November 14, 2001

Memorandum

To: Special Trustee for American Indians
Assistant Secretary-Indian Affairs

From: Secretary

Subject: Trust Organization

I have read your November 14, 2001 memorandum including your views on the organization of trust asset management responsibilities. I enthusiastically support and concur in your recommendations.

The Department's refinement of the proposed organization and management structure will greatly benefit from the counsel provided by affected and interested parties. Please ensure that we consult with Congress, the Tribes, Department of the Interior personnel and their unions as well as other interested parties prior to implementing a broad reorganization of Indian trust asset management functions. We must tap into the broad knowledge and experience available from these groups in order to fashion the best organizational structure possible.

It is my understanding that these consultations have already begun, and will continue, consistent with my often-stated policy of communication, consultation, and cooperation with the public we serve.

Gale A Norton

Secretary of the Interior

United States Department of the Interior

OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS
Washington, D.C. 20240

November 14, 2001

Memorandum

To: Secretary

From: Special Trustee for American Indians
Assistant Secretary – Indian Affairs

Subject: Trust Organization

Attachment 1 is a proposed organization and management structure for the Department's Indian trust asset management function. A briefing paper with information on the proposed organization and management structure is included in Attachment 2.

As you know, for the past several weeks a senior group has been evaluating alternative trust organization and management structures for Indian trust asset management, identifying several options that could lead to a more effective structure. The Special Trustee contributed a typical structure for trust operations as found in commercial sector trust banking. In addition, the Judge in the Cobell v Norton class action litigation was critical recently of the Department because he could not readily identify a single individual in charge of trust reform. Periodically we have briefed you on the status of our efforts, and received your input on the options.

As we closed on a structure that would establish an effective, accountable organization, it became apparent that a dramatic change in organization and management structure for Indian trust reform and trust operations was needed. Concurrently, EDS was drawing a similar finding and conclusion in its assessment of the TAAMS and BIA Data Cleanup sub projects. At the request of the Deputy Secretary, EDS evaluated the group's proposed organization and structure and commented favorably (Attachment 3). In consonance with EDS' suggestions, a separate element will be organized and devoted to beneficiary services. This element will put the beneficiary—Tribes and Individual Indian account holders—as the focus of the Indian Trust Asset Management organization.

The structure we recommend has the strength of, once and for all, establishing a single, accountable manager and management structure for the conduct of most Departmental Indian trust operations and trust reform.

Therefore, we believe and concur that the Department should reconfigure trust asset management activities along the lines of the organization and management structure found in Attachment 1, and recommend your approval of this organizational concept.

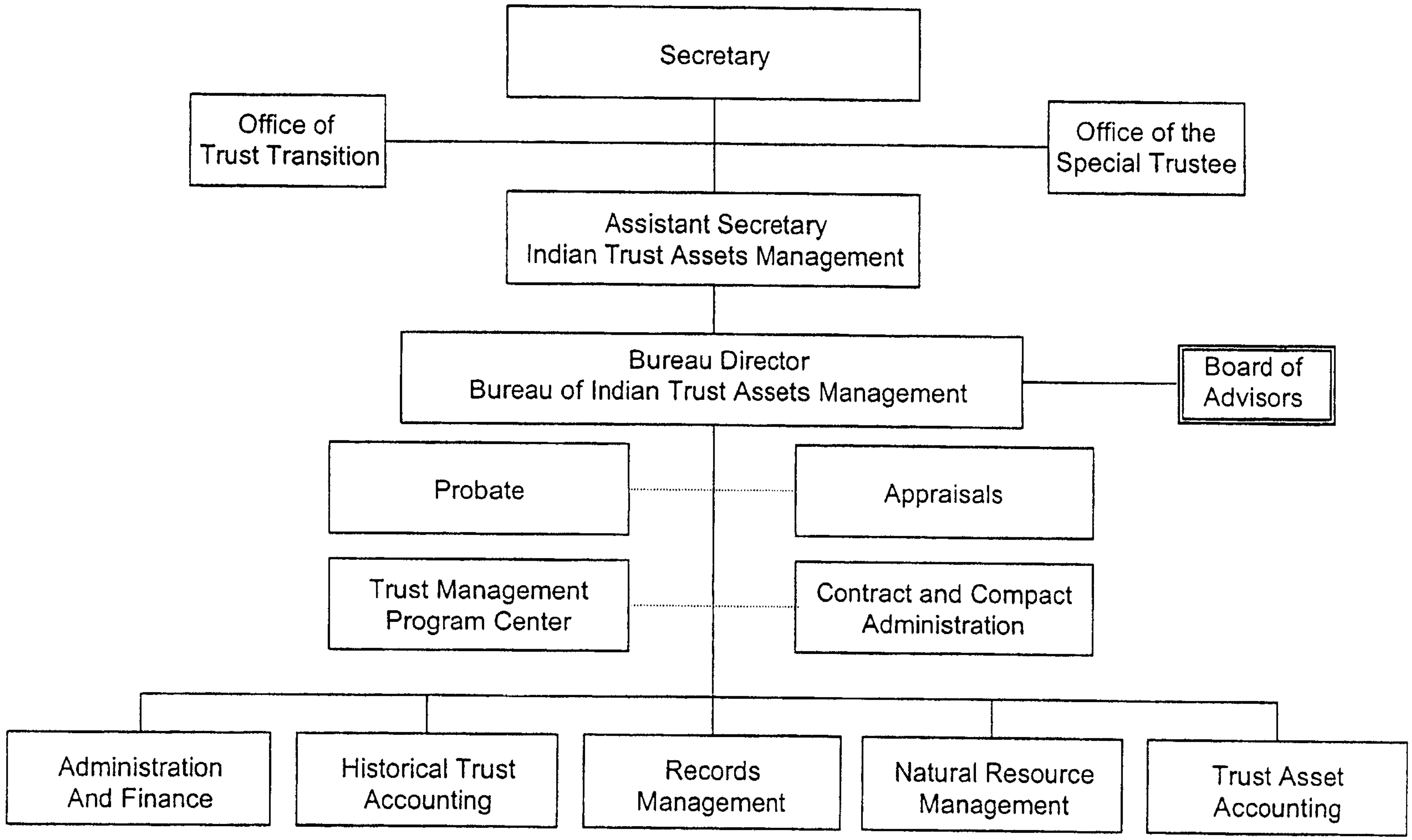
I CONCUR: See 11/14/01 memo
Secretary of the Interior

I DO NOT CONCUR: ____________________
Secretary of the Interior

3 Attachments, as stated

B

Draft Organizational Chart



November 14, 2001

CERTIFICATE OF SERVICE

I declare under penalty of perjury that, on November 14, 2001, I served the foregoing Notice to the Court, by facsimile only, in accordance with their written request, upon:

Keith Harper, Esq.
Lorna Babby, Esq.
Native American Rights Fund
1712 N Street, NW
Washington, D.C. 20036-2976
202-822-0068

Dennis M Gingold, Esq.
Mark Brown, Esq.
1275 Pennsylvania Avenue, N.W.
Ninth Floor
Washington, D.C. 20004
202-381-2372

and by U.S. Mail upon:

Elliott Levitas, Esq.
1100 Peachtree Street, Suite 2800
Atlanta, GA 30309-4530

Joseph S. Kieffer
Court Monitor
420 7th Street, NW, Apt 705
Washington, DC 20004

and by facsimile and U.S. Mail upon:

Alan L. Balaran, Esq.
Special Master
1717 Pennsylvania Ave., N.W.
12th Floor
Washington, D.C. 20006