



# United States Department of the Interior

## OFFICE OF HISTORICAL TRUST ACCOUNTING

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Washington, DC 20240

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October 9, 2002

Parent(s) or Guardian of  
John H. Doe  
P. O. Box xxxxx  
Whiteriver, AZ xxxxxx

Re: Individual Indian Money Account # 607JXXXXXX

Dear Parent(s) or Guardian:

This letter and the three enclosures are being sent to you because you are the parent(s) or guardian of the above-named account holder, who has at least one Individual Indian Money (IIM) account managed by the United States Department of the Interior (DOI). This letter and the three enclosures apply only to the IIM account which contains a share of settlement monies received by the account holder's tribe, the White Mountain Apache Tribe of Arizona. DOI's Office of Historical Trust Accounting (OHTA) recently performed an accounting of this account from the time it was opened through December 31, 2000. You will find a Historical Statement of Account enclosed with this letter. Please read the following information in this letter and the three enclosures carefully. They provide you with the following important information about the account.

- **Accounting Results:** Important information about the account, including limitations on the accounting and whether errors or losses were detected
- **Accounting Approach:** How the historical accounting was performed
- **What You Should Do Next:** Important deadlines for responding to and challenging the historical accounting
- **Your Appeal Rights:** How you can appeal to the Interior Board of Indian Appeals (IBIA)
- **Questions:** Who will answer questions and where you may obtain additional information

**Accounting Results.** The account was established for the account holder in 1997 to receive a share of a payment that was made to settle a claim filed as White Mountain Apache Tribe of Arizona v. United States, Court of Federal Claims Docket No. 22-H. As an enrolled member of the White Mountain Apache Tribe as of April 29, 1997, the account was credited with a payment of \$ [REDACTED] on November 3, 1997. As of December 31, 2000, the account balance totaled \$ [REDACTED], including interest of \$ [REDACTED].

The balance shown on the Historical Statement of Account as of December 31, 2000, agrees with the balance maintained by DOI's Office of Trust Funds Management (OTFM) as of the same date. The accompanying Historical Statement of Account details the receipts, interest, and other activity for the account holder's account from the opening deposit through December 31, 2000. Please note that the account balance shown is for December 31, 2000. For information about the account activity and balances after December 31, 2000, please refer to the Statement of Account sent to you quarterly by OTFM. In addition, the Historical Statement of Account does not reflect any funds or transactions for the other accounts which the account holder may have with OTFM.

DOI has identified several historical accounting issues that may affect the amount of interest paid to the account. Please read the enclosed *Statement of Accounting Limitations* to learn more about these important issues and how they might affect the account.

**Accounting Approach.** In performing the accounting, OHTA reviewed documents verifying the award, the approved tribal resolution distributing the award to tribal members, and the plan governing the use and distribution of the award. OHTA also verified the monthly interest based on the interest rate distribution factor determined by OTFM. An independent accounting firm reviewed the historical accounting work to ensure correctness.

**What You Should Do Next.** OHTA completed the enclosed Historical Statement of Account for the time from the opening of the account through December 31, 2000. You should compare the Historical Statement of Account to your files and records to determine if your records agree with the Historical Statement of Account and the balance it shows on December 31, 2000.

If you agree with the Historical Statement of Account and the balance shown, please retain this letter and the three enclosures with your records. No other action is required of you.

If you have concerns about the Historical Statement of Account included with this letter or if you believe it is in error, you may wish to file a challenge with OHTA. To challenge the enclosed Historical Statement of Account, you must provide a written explanation of your concerns and any documents, papers or information you want OHTA to consider within 60 calendar days of the postmark on the envelope containing this letter. You must mail this information to the following address.

Executive Director  
Office of Historical Trust Accounting  
U.S. Department of the Interior  
1801 Pennsylvania Avenue, NW, Suite 400  
Washington, DC 20006

If you need more than 60 calendar days to review or challenge the Historical Statement of Account, you may request a 30-calendar-day extension by contacting OHTA in writing at the address stated above before the 60-calendar-day time expires. **If you do not challenge the historical account statement or request an extension within 60 calendar days of the postmark on the envelope containing this letter, the enclosed Historical Statement of Account will be final and cannot be appealed.**

If you wish to challenge the Historical Statement of Account, OHTA will consider any explanation you provide and respond to you within 30 calendar days of the postmark on the envelope containing your challenge. OHTA's conclusions on your challenge will be provided in writing and will be clearly indicated as OHTA's final response.

**Your Appeal Rights.** You may appeal OHTA's final response to the Interior Board of Indian Appeals (IBLA) by filing a Notice of Appeal with IBLA within 30 calendar days of the date you receive OHTA's final response. OHTA will provide you with information about how to appeal to IBLA when it sends you its final written response.

Detailed rules and guidance for filing a Notice of Appeal with the IBLA can be found in Title 43 part 4 of the *Code of Federal Regulations* and in the Federal Register Notice published September 6, 2002 (67 Fed. Reg. 57121). These sources describe the items you must include in your Notice of Appeal.

The Historical Statement of Account provided with this letter will not be final or effective until after you have exhausted all administrative remedies and appeals (as above, to OHTA and IBLA) or until after the deadlines for doing so have otherwise expired.

**Questions.** Enclosed is a brochure answering general questions about the historical accounting project. If you have any questions about this letter or the enclosed Historical Statement of Account, please call OHTA toll-free at 1-888-329-5562. Also, additional background information, including a report OHTA provided to the United States Congress about its historical accounting project, is available on the Internet at <http://www.doi.gov/ohta>.

Very truly yours,



Bert T. Edwards, Executive Director  
Enclosures (3) - Historical Statement of Account, Brochure, and Statement of Accounting Limitations

## Statement of Accounting Limitations

In preparing the enclosed Historical Statement of Account, the Department of the Interior (DOI) identified several system-wide accounting issues that involve the amount of interest credited to trust fund accounts. These issues have not yet been fully resolved by DOI since DOI must complete additional research on the issues.

By statute and policy, funds in the Individual Indian Trust Fund have, typically, been invested in securities issued by the U.S. Treasury and U.S. Government sponsored entities. Maturities range from overnight investments with the U.S. Department of the Treasury to over ten years with a large concentration in the 5-10 year sector.

DOI's Office of Trust Funds Management (OTFM) determines the monthly interest factor to credit interest to each IIM account based on the total interest earnings for the month and the total average dollar balances of IIM accounts for the month. The interest factor used to determine the amount of interest credited to the account changes with the total amount of invested funds and the prevailing rates of interest. For the information, attached is a comparative summary of interest rates on investment pools similar to the IIM Trust Fund.

DOI has identified potential discrepancies that may affect invested funds accruing interest. Although DOI believes that these discrepancies are nominal, they may have a small impact on the amount of interest credited to the account. DOI has requested an appropriation from Congress to address certain issues. If this appropriation is received, DOI will make appropriate adjustments.

While the account holder's IIM account may be credited with additional interest in the future, the Historical Statement of Account is a crucial, important step in completing the overall historical accounting project for all Individual Indian Money accounts. As a result of the work performed on the accompanying Historical Statement of Account, DOI has confirmed several things.

- The initial deposit into the IIM account was correct.
- No improper disbursements were made from the account through December 31, 2000.
- The interest calculated by OTFM, based on the monthly interest distribution factor, was properly applied to the account.

As our work on the historical accounting project progresses, DOI will confirm the amount of additional interest the account may be entitled to, and explain to you how any such interest was determined.

It is not necessary for you to register a challenge to the accompanying Historical Statement of Account (**with respect to interest only**) since DOI is aware of this issue which may impact a large number of IIM accounts. If DOI determines that additional interest should be credited to the account in the future, this will be done whether or not you challenge the accuracy of the enclosed Historical Statement of Account.

## COMPARATIVE INTEREST FACTORS

<u>Month</u>	<u>IIM OTFM Factor<sup>1</sup></u>	<u>10-Year Treasury Rates<sup>2</sup></u>	<u>TSP "G" Fund<sup>3</sup></u>
November 1997	7.38	5.86	6.00
December 1997	6.47	5.74	6.24
January 1998	7.31	5.63	6.12
February 1998	6.21	5.63	5.28
March 1998	6.64	5.63	6.00
April 1998	6.90	5.67	5.88
May 1998	6.48	5.57	6.12
June 1998	6.95	5.46	5.76
July 1998	6.57	5.50	5.88
August 1998	6.43	5.20	5.88
September 1998	7.77	4.67	5.28
October 1998	6.60	4.63	4.92
November 1998	7.38	4.83	5.04
December 1998	6.87	4.75	5.16
January 1999	6.68	4.72	5.04
February 1999	5.71	5.00	4.56
March 1999	6.90	5.23	5.64
April 1999	6.16	5.26	5.52
May 1999	6.14	5.56	5.64
June 1999	6.39	5.98	5.88
July 1999	6.23	5.86	6.24
August 1999	6.69	5.81	6.36
September 1999	6.53	5.88	6.12
October 1999	6.85	6.16	6.36
November 1999	6.26	6.10	6.12
December 1999	6.57	6.41	6.18
January 2000	6.50	6.68	6.72
February 2000	6.25	6.38	6.36
March 2000	6.61	6.13	6.60
April 2000	6.96	6.15	6.24
May 2000	6.39	6.42	6.48
June 2000	6.62	6.08	6.36
July 2000	6.31	6.04	6.36
August 2000	6.31	5.75	6.24
September 2000	6.85	5.82	5.88
October 2000	6.14	5.66	6.12
November 2000	6.27	5.65	5.76
December 2000	6.5	5.1	5.76

<sup>1</sup> OTFM; Albuquerque, NM

<sup>2</sup> McCary Stevens Associates Inc. (Rates at which new issues of 10-year United States Government (USG) bonds were issued)

<sup>3</sup> Thrift Savings Plan website [www.tsp.gov/rates/history/html](http://www.tsp.gov/rates/history/html). The TSP "G" Fund is similar to an IRS section 401(k) Plan. The TSP "G" Fund invests solely in USG debt securities and debt securities guaranteed by the USG.

There are a number of mutual funds where objective is to invest principally in USG securities or securities guaranteed by the USG. Unlike the IIM Trust Fund investments, a portion of the investments of the following mutual fund is invested in derivatives such as repurchase agreements. Generally derivatives represent higher risk factor, and thus a higher return, than USG securities. Monthly rates of return for the following mutual funds are not readily available, however, annual rates of return are set forth below.

<u>Fund</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
T. Rowe Price – U. S. Treasury – Intermediate Fund (3 – 10 year terms)	9.58%	4.28%	1.97%

1997 – 2001 Average Rates of Return – Intermediate Term (3 – 10 year terms) – USG Bonds

- Vanguard (VFITX) – 8.2%
- Galaxy II (IUTIX) – 7.8%
- American Century (CPTNX) – 7.6%
- Fidelity Spartan (SPGVX) – 7.6%

Source: [www.aaii.com/promo/2002.0513/nfunds2.shtml](http://www.aaii.com/promo/2002.0513/nfunds2.shtml)

