

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

ELOUISE PEPION COBELL, et al.,)

Plaintiffs,)

v.)

GALE NORTON, Secretary of the Interior, et al.,)

Defendants.)

Case No. 1:96CV01285
(Judge Lamberth)

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.

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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

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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

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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.

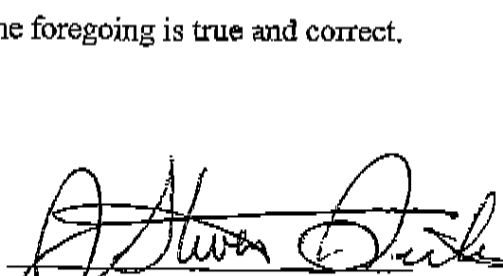
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15. We will advise the Court as further actions are taken. As the official currently in charge of trust reform in the Department, I understand that reorganization by itself does not solve the numerous problems of trust reform, but it does provide an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

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