

- LOCK THE DOORS!
- TREASURER – WM. KEMBLE TESTIMONY

BY:

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Lock The Doors

My dad... When he couldn't find something in the house, he would say "Lock the doors, I've been rolled." Well, Lock your doors folks, we've been rolled and the Congress members involved in these Hearings evidently have chosen to completely overlook the Osage Nation Treasurer's testimony stating exactly that only in a more professional manner.

I am flabbergasted at the completely mundane reaction to the Treasurer's testimony regarding wrong doing and forced entries. Without flinching, Mr. Kemble clearly states his dilemma while Congress members completely let the facts sail over their heads and continue down the beaten path of accusing Mr. Kemble of breaking Osage Law.

Because this is so amazing and because it is so unreal, I will not finish the complete 4 hours of testimony. It is a must listen for all concerned people. I have provided what I heard on the recording of Mr. Hill, Ms. Hopper and Ms. Moxley. I have

provided enough of Mr. Kemble's testimony to make you aware of what he reports. It is the aloofness of the Congress regarding Mr. Kemble's charges that is completely mind boggling. Not only that but in their arrogance, two or three of them will be heard criticizing Mr. Kemble and practically ridiculing Mr. Kemble in an absolutely unacceptable manner.

Rather than focusing on the really important facts, some of the Congress members chose to charge on with whatever personal vendetta they have against this man and admonish him for failing to follow Osage Law. Their concern that he has NOT gone ahead and forced incorrect, undocumented entries, aka "cooked the books" is an outrage I guess to these Congress people. Mr. Kemble did everything he could to let them know he is not willing to force entries but they seem to think because of the "all mighty" Osage Law; if it says close the books, it means close the books!

What I see here is a man with integrity who is not about to lose his reputation, credibility or future as a highly capable accountant simply because these folks in Congress can't recognize what it is he is doing. It's kinda like the old saying: "I never knew he was drunk until I saw him sober." Well---I guess these Congress members never knew accounting practices were wrong until they saw them being done right.

William Kemble, Treasurer

Mr. Kemble was appointed Osage Nation Treasurer in October, 2011. He has a Masters Degree in accounting and has Public Auditing experience.

Mr. Kemble was allowed the opportunity to give an opening statement. In his opening statement, Mr. Kemble commended the employees of the Treasurer's office for their hard work preparing for the Hearings and their ability to sustain the extra work load as well as their regular duties. Mr. Kemble estimated that the cost of this preparation was

approximately 24 to 25 thousand dollars.

Mr. Kemble stated that the internal control process was in some cases wrong, some cases weak and some cases non-existent. He stated that the Policy and Procedure manual is 7 years old, has not been updated in any way and is not complimentary to this new form of government. He indicated that he had been working diligently to make the proper changes to the manual.

Mr. Kemble's statement was as I said, excellent. I hope to get a copy of exactly all that he said.

The first question posed to Mr. Kemble was regarding whether or not he followed the Policies and Procedures set out in the manual. Mr. Kemble responded by stating that his 1st request was an organizational chart and internal control policy. The current policy manual was written in 2004 and does not provide enough guidance and it does not fit everything needed for this new form of government. He stated that weak controls are not acceptable and that it is his responsibility to correct that. Mr. Kemble stated that previously the outdated controls had been followed exactly and as a result, have lead to wrong doing.

Mr. Kemble stated that a state of emergency has existed in the past and that he verbally informed the Chief that an emergency did in fact exist. The Chief had been made aware of this situation on more than one occasion.

With regard to the transfers of funds, Mr. Kemble stated that the Chief was aware of this also and that he (Mr. Kemble), the Chief, and the Assistant to the Treasurer went to the 1st National Bank and the banker told them that the amount in the account was a hardship on the bank and that the funds were at risk. Mr. Kemble stated at one point both Chiefs went to the bank and were told that there was a collateralization issue and the funds needed to be moved.

Congress was not happy that Mr. Kemble did not make them aware of this problem. Mr. Kemble stated that both Red Eagle and Bighorse were aware of the circumstances.

When asked about not closing the books and entering the information that was left by the previous Treasurer, Mr. Kemble stated that the numbers didn't fit and the back-up (documentation) to support the entries was not available.

Mr. Kemble stated that the books have not been closed since 1997. He stated that 1997 transactions are still in the trial balances. Mr. Kemble stated that if he were to use the figures actually on the books, he would have to say that there were 430 million in revenues which would be giving the wrong idea to the Osage Public because this is certainly not a true figure.

Mr. Kemble stated that the entries had been modified in the past to make the books balance. (forced entries).

To Listen to Mr. Kemble's Testimony – go to:
http://www.osage-tribe.com/main_view_video.aspx
Select – Afternoon Parts 1, 2 and 3.

Clint Hill, Jonna Hopper and Tammy Moxley's Testimony is on the next page.

Clint Hill, Comptroller

Clint Hill has a Business Degree and has worked in the Osage Nation's Treasury Department for 2 1/2 years.

The first question asked of Mr. Hill was if he was aware of any salaries being paid in excess of the amount appropriated. Mr. Hill indicated that he was made aware by other accountants that the new Executive Assistant to the Treasurer was being paid over the appropriated salary for that position and that it was his understanding that the Program Director approved this amount, signed off on the approval as did the Treasurer.

It was stated by a Congress member that he had been advised that Linda Teeman, the Chief's Assistant was being paid more than the budget allocated. Mr. Hill stated that he did not know if this was the case or not but that the H.R. Department and Payroll Department would know.

When asked if he was aware of any Policy and Procedure changes that have come about since the new Treasurer took over. Mr. Hill mentioned the signing authority given to the accountants with a \$300.00 threshold. Mr. Hill elaborated further stating that

he and the Treasurer discussed the possibility of allowing check writing privileges to the accountants in order to lighten the Comptroller's work load so that he could assist the Treasurer with other more serious and pending tasks.

Mr. Hill also stated that there had been an additional position added to the Treasurer's office and it is that of the Procurement Officer. The addition of this position would further free up Mr. Hill's work load. Funds had already been appropriated for this Position but the position had never been filled.

Mr. Hill stated that these changes have been helpful to him and that the paperwork involved is tremendous, therefore, his load has been lightened and he is able to be more productive in critical areas of the Treasurer's office.

When asked a question regarding communication within the Treasurer's office, Mr. Hill stated that any time there is change there is resistance to it. The staff was advised to not make any quick decisions and allow ample time for everyone to adjust.

When asked if he knew of any accounts sitting in a non-interest bearing account, Mr.

Hill stated that there was one account with several million dollars in it that was in a non-interest bearing account but it had since been placed in an account that does draw interest.

When asked if he was aware when he and the Treasurer decided to change the Protocol that they were to get approval from Congress according to ONCA 06-02. Mr. Hill stated that he was not aware of that. The question was further pressed asking if he was even aware that the Congress was to approve new positions created in the Treasurer's department.

Congress members consistently referred to the Accounting Manual as the "Bible" and that it was to be adhered to. Mr. Hill stated that he was aware that the signing off of Purchase Orders and Payables was the responsibility of the CFO and Comptroller but because these changes were made with the approval and support of the Chief, he followed the new rules. Congress stated that the Chief cannot make changes in Policy and Procedures.

Congress asked Mr. Hill if he was aware that the previous Treasurer had left closing entries for the Treasurer's office to make in

order to close the books at the end of the fiscal year but that they had never been made. Mr. Hill stated that he was aware that they had been left but he was not aware that the entries had not been made.

Mr. Hill was asked if it was not his responsibility to see that the entries were made. Mr. Hill stated that he was aware of the entries but because they had never been brought to his attention again, he thought they had probably been completed. Congress further stated that when the accounts are closed at the end of the year, any excess money was to be returned to the Treasury Account and since the books have not been closed, the money had not been returned.

When asked why the quarterly reports had not been made available to Congress, Mr. Hill stated that he was responsible for the monthly reports and the previous Treasurer had always completed the quarterly reports.

Congress mentioned curious transfers of large amounts of money on a regular basis being made three days before the end of the month and then transferred back after the first of the following month. They asked Mr. Hill

if he was aware of these transfers. Mr. Hill stated that he was aware of the transfers and they started doing this at the end of last year because of collateralization issues with the 1st National Bank of Pawhuska. He said that the bank would call and let them know they needed to move the money because the amount was over the insurable amount.

Mr. Hill was asked about the findings from the last audit and the directive recommending changes. Mr. Hill stated that this was the responsibility of the Treasurer be believed because the previous Treasurer did that before.

Upon closing the Hearing with Mr. Hill, Mr. Hill took liberty to commend the accounting staff for a job well done yesterday during this Hearing process. He pointed out the massive amount of work they had completed in order to provide the subpoenaed documents for these Hearings on top of their regular duties in the office. He stated that they all valued their jobs and enjoy working for the Nation.

Jonna Hopper, Executive Assistant

Ms. Hopper is a new hire at the Treasurer's office. I was unable to hear how many

months she has been employed. She has had past experience as an Administrative Assistant in the state of Kansas I believe but again, I had difficulty hearing her.

When asked about the transferring of funds, Ms. Hopper stated that wire transfers were made and that there was a tracking process in place. When asked if she knew why these transfers were being made, Ms. Hopper stated it was because of 1st National Bank's collateralization issues. She was asked why we would need to protect ourselves one day but not the next. Congress advised that they were trying to understand why these curious transfers were being made.

When asked about her background and experience in accounting, she stated previous employment. She was asked how she was affiliated with the Tribe and if she was Osage. Ms. Hopper stated that her Husband and Children are Osage. She was asked if she knew when she applied for the position, what her salary would be. She advised that she became aware of the position through the job postings on the Nation's website and there was a salary posted. She was asked if she knew if anyone

went to bat for her to get a higher salary range.

Ms. Hopper became upset and broke down. There was a three minute recess.

Upon return to Hearings, she was asked when she made application if she went through the H.R. Department. Ms. Hopper stated that she did go through the H.R. Department.

Ms. Hopper was asked if she received any training for her new position and she stated that she was trained by the previous Administrative Assistant, Tammy Moxley. She was asked where she was in the chain of command in the accounting office. Ms. Hopper stated that she was nowhere in the chain of command. She was asked if she screened the Treasurer's calls. She stated that she did when he was busy working on reports and didn't want to be disturbed.

Ms. Hopper was asked if when transfers of monies were made, was she just instructed to make them by a superior. She stated that the transfers are approved by

signature and then given to her.

Tammy Moxley

Ms. Moxley transferred from Executive Secretary to Procurement Officer at the end of January 2011.

Her responsibilities consist of authorizing Purchase Orders. This change was authorized by the Treasurer verbally and in writing in July. Ms. Moxley has authority to approve Purchase Orders up to 25K. Ms. Moxley stated that her supervisor was the Treasurer and that she has no interaction with the Comptroller.

Ms. Moxley was asked if she was aware that the Accounting Organizational Chart had not been updated and that her new position was not added to the chart.

During the transitional process of bringing in Ms. Hopper to fill the Administrative Assistant position, Ms. Moxley simultaneously trained Ms. Hopper.

Ms. Moxley was asked if she was aware of any other

protocol changes or any other changes in directives. She mentioned the \$300.00 threshold check writing privileges for the accountants.

Congress asked Ms. Moxley if she was aware that changes in Protocol were in violation of the Accounting Manual and that Congress must approve any changes, Ms. Moxley stated she was not aware. Ms. Moxley was asked if she was aware of how transfer of funds were processed and she said she was. She stated that the Treasurer or accountants could request a transfer by completing a transfer form.

Ms. Moxley stated that the purpose of the Procurement Officer is to convert the payable procedure to the Purchase Ordering process. The program director approves the Purchase Order which is basically stating that they did request the service or goods involved in the order. The last check in the chain is the Procurement Officer who insures that the budget line items are not exceeded.