

- Morning Hearings
- Leslie Young
- Penny Bradford
- Carolyn Kerr
- Pam Jester

BY:
JENNY MILLER

THE MILLERIST

WHERE GOOD, HONEST OSAGES COME TO READ

Red Eagle Opinion

John Red Eagle addressed the Congress at approximately 9:00 a.m. Thursday morning. Red Eagle expressed his disapproval of the way the Congress handled their actions regarding subpoenaing the Treasury and employees. Red Eagle mentioned that Jim Gray, previous Administration, had filed a suit against the Office of Fiscal Performance Review and that when he (Red Eagle) came into office, he dropped that suit. It seemed as though Red Eagle was making a point that due to his disapproval of today's Hearings, he may rethink his position on how he handled the suit against the OFPR and may do the same in the future if Congress didn't conduct themselves differently in the future.

Red Eagle stated that a Subpoena process should be the last resort and that when information is requested of the Treasurer's office, an ample amount of time should be given to the Treasurer to produce required documents. Red Eagle claims to have

made great steps to safeguard the "*Nation's Assets.*" He again admonished the Congress for not considering other avenues before issuing subpoenas.

Red Eagle mentioned nothing about safeguarding "Shareholder Assets."

Speaker Branstetter's Reply

Jeri Jean Branstetter, Speaker of the Osage Nation Congress responded to Red Eagle's claim that other avenues had not been pursued by stating that other avenues had in fact been pursued with no results. Soon thereafter, the meeting was adjourned and the Government Operations Committee was scheduled to meet at 9:30 a.m.

Leslie Young

Ms. Young has worked in the accounting office for 8 years and 9 months.

Ms. Young testified that \$300,000.00 had been transferred from the Mineral C-395 Account to the Osage Nation Federal Programs General Account. The

transfer occurred on June 21. Ms. Young reported the Transfer to John Red Eagle, Chief. The Mineral Council was not notified until July 11. To Ms. Young's knowledge, there were no Resolutions or Signatures of any Mineral Council member approving the transfer and that there are no Mineral Council members on the account.

Ms. Young reported that the purpose of the transfer of the funds was due to the 1st National Bank's inability to collateralize that amount of money. She has never, however, witnessed Mineral Council funds being transferred to the Federal Programs General fund account.

According to Ms. Young there are three (3) accounts belonging to the Mineral Estate that are under the Osage Nation Treasury. They are the C-395, S-510 and Oil & Gas Summit account. *Ms. Young stated that there have been no changes in procedure from what she had been taught in 2003.* Ms. Young also

testified that \$50,000.00 was transferred from the Oil & Gas Summit account on July 21st as well. The Oil & Gas Summit account is also the property of the Mineral affairs. I didn't hear where this transfer of Mineral funds was transferred to.

Ms. Young is unaware of any reporting directives to the Mineral Council members with regard to transferring of funds.

Penny Bradford

Accountant, Penny Bradford stated that when the previous Treasurer left, he provided Audit Adjustments for the incoming Treasurer that would balance the Accounts. These audit adjustments were on the new Treasurer's desk from the day he became employed. Ms. Bradford stated that the adjustments have not been entered as of today and the accounts are out of balance. As a rule, the accounts must be balanced at the end of the fiscal year and any monies left over are to be reverted back into the Osage Nation Treasury account. Apparently, due to the accounts not having been balanced as of today, the excess funds have not been deposited into the Treasury Account.

Ms. Bradford stated that a new protocol came into effect in the Treasurer's office.

Since January, accountants have been given check writing privileges for amounts of \$300.00 or less. Congress members pointed out that any changes in procedures must be approved by Congress and they have not been notified of this change. Congress also pointed out that they have not received quarterly reports from the Treasurer and they now suspect it is because the accounts are out of balance.

Ms. Bradford was asked if there were any conversations in the office after the subpoenas had been served. Ms. Bradford stated that there was a staff meeting held and that the Treasurer, advised all to speak the truth when being questioned.

Congress asked Ms. Bradford about the morale in the offices. Ms. Bradford stated that morale was low. When questioned more specifically; Ms. Bradford stated that there used to be an "Open Door" policy and now if she or others have questions, they are to speak with the Comptroller, Mr. Hill first and then the Treasurer. When asked if employees were ever in a position to have personal contact with the Treasurer Ms. Bradford said no.

Carolyn Kerr

Ms. Kerr was asked about changes in procedure since

the new Treasurer came to the office. Ms. Kerr mentioned the \$300.00 payables and employees were to seek Comptroller Clint Hill with their questions and then the Treasurer if necessary.

I missed the very beginning of Ms. Kerr's appearance. I did not get how many years she has been employed but I don't think much else.

Pam Jester

Ms. Jester has been employed in accounting for 9 years and 5 months. She has been the payroll accountant for 3 years.

Ms. Jester received questions regarding salary amounts for employees. She was asked who was responsible for making sure proper salaries were being paid to individuals. She was asked if she would be in a position to know if an employee was being paid a larger salary than had been appropriated. She was also asked who signed approval for individual salaries.

Ms. Jester stated that she was not in a position to know if anyone was being paid the correct salary and that the Executive Branch, the Comptroller and HR were responsible for that. With regard to what the procedure is when a position is created or changed. Ms. Jester said

that the Executive, the Comptroller and H.R. Director also approve the paper work; she receives the paper work and puts the information in the system.

Ms. Jester was asked if she was authorized to sign checks for \$300.00 or less. Ms. Jester has been given that privilege.

There seems to have been an issue with employee Jonna Hopper's payroll check. Ms. Hopper will be questioned tomorrow at the 9:00 hearings.

After Noon Hearings

- Vickie Moler
- Julia Hutson
- Stephanie Hendron
- Sondra K. Lytle

Vickie Moler

Ms. Moler is a Federal Program accountant and has worked for the Tribe for 7 years. Ms. Moler was asked if she had experienced an unusual transfer of funds requests. Ms. Moler recalled that during the Administrative transition, all of the federal paperwork had not been completed with regard to the New Treasurer's identification and authorization and because of this delay; the General Fund was short \$198,323.17. In other words, due to the transition, federal

government had not completed the Identification number that would recognize Mr. Kemble as the current Treasurer of the Osage Nation.

Apparently there was some question as to how the new Treasurer arranged to fund the overdrawn account but Ms. Moler's testimony was very entailed and complicated and I had difficult hearing her. Rather than reporting incorrect information, I would prefer to get the actual manuscript of the testimony. Ms. Moler's testimony did involve tribal monies being transferred to the General Account.

According to a document read by Congress member Red Corn, on February 28, 2011 there was a \$2,800,000.00 Transfer from one bank and to another bank and then back again in a two or three day period. NOTE: (I do not know if the 2.8 million was Tribal or Federal). Ms. Moler was asked if she had any idea why such a transaction would be performed and she did not have any idea. According to Ms. Moler, these types of transactions occur on a regular basis and have been occurring since the first of this year. Apparently the funds are withdrawn just before the end of the month

and put back in after the 1st of the following month.

Julia Hudson

Ms. Hudson is a Tribal accountant. She has worked for the Osage for 13 years and 6 ½ of those years she has acted in the capacity of Tribal Accountant. Ms. Hudson was asked if she knew of any unusual transfers or if she had been requested to perform any questionable acts. Ms. Hudson said that she only recalls the same instance that Ms. Moler spoke of which was during the Administration Transition period. At that time \$200,000.00 was transferred from one of her accounts and deposited into the General Fund.

Ms. Hudson is accountant for the S510 Account. This account consists of funds from the Tribal Council sale of maps, the Mineral Council operation funds and quarterly income from a headright that was purchased. Ms. Hudson stated that there have been no funds transferred out of the S510 account. Regular billings are paid out of the account, supplies and postage for the Mineral Council newsletter and oil lease sale advertisements.

Ms. Hudson has no connection with the C395 fund and was not aware until a later date that funds had

been transferred from that account.

Stephanie Hendron

Ms. Hendron has been with the accounting Department for 2 ½ years. Ms. Hendron didn't seem to have any viable concerns other than being unhappy with the changes implemented by the new Treasurer. Apparently some of the changes implemented have made her duties more difficult.

Ms. Hendron was accompanied by her attorney, Kirke Kickingbird. Kickingbird is also counsel for the Executive Branch. He was at one time Counsel for the Mineral Council.

Sondra K. Lytle

Ms. Lytle didn't know of any unusual or questionable actions being performed within her office. She has been with the accounting department for 4 years. Ms. Lytle is responsible for keeping the records of the transportation accounts.

ONCE AGAIN

Please keep in mind that this is the way I heard the testimony. If I am able to get a copy of the transcript, I will gladly make it available to you on the website.