

## **NOTES TO THE NATION JULY 17, 2008**

### **OSAGE NATION CONGRESS WILL HIRE LAWYER**

The Congressional Affairs Committee met yesterday and authorized the Speaker, Archie Mason, and the Director of the Office of Fiscal and Performance Review, Kelly Corbin, to hire an attorney to defend them against suits filed by the Executive Branch. The contract will be subject to further review before signing.

One suit was filed against the Speaker of the Congress by Hepsi Barnett to resist a subpoena filed by the Speaker which demands a copy of the Osage Roll and related documentation. The other suit was filed by the Chief that seeks a permanent injunction against the OFPR, which if granted, would completely stop the work of this department.

The OFPR is the auditing department that has faced resistance by the Chief since it was first conceived. It has been vetoed twice by the Chief and both vetoes have been over ridden by the Congress. A previous lawsuit against it was filed by the Chief and later withdrawn. Now we have the recent suit. When this is litigated, it is likely that many other issues will be brought to light. Already current and former employees are suggesting additional things to look into and volunteering to testify if necessary.

The OFPR was created as an extension of the oversight duties of the Osage Nation Congress. Its' main purpose is to do program evaluations and perform audits to see that legislation is being carried out as the law intended. Emphasis is placed on seeing that the Osage Nation gets the most it can for the money spent. Like a fisherman checks his nets for holes before he goes fishing or a rancher checks his fences before he turns his cattle in, the OFPR tries to prevent the waste of ON money by plugging any holes in the legislation or in its administration. Everyone understands this and, I think, supports it. On the other hand, there is the possibility that OFPR auditors might find intentional misuse of funds while doing routine audits. If that were to occur, the OFPR would stop and hire an independent audit firm to do a forensic audit. Everyone understands this too, but there may be some who aren't happy about it.

### **WHAT TO DO WITH THE RELEASE?**

Many Osage citizens have recently received a letter from the Chief together with a release pertaining to the Osage membership roll.

We in Congress are receiving inquires as to what to do with the release. Since we are involved in a lawsuit regarding this issue, I don't believe I should try to give advice about it. I can tell you what many are doing: (a) Some are doing nothing. (b) Some are sending the release or a letter directly to Congress. (c) Some are signing and sending back to the Chief. (d) Some have come up with some really clever things to do with it.

### **ACCOUNTING PROBLEM AT THE CASINO**

The Commerce Committee held a meeting Monday July 14 for the purpose of gathering information on the accounting problems at the Casinos.

Chair Congressman Doug Revard had called a meeting previously on June 19 for this purpose and no one showed up from accounting or the Gaming Board. This time everyone showed up including accounting, Gaming Board and their attorney. When the meeting was over we had learned about the same amount as when they didn't show up.

If you remember, when the 1<sup>st</sup> Congress went into office 2 years ago we inherited an accounting problem at the Casinos that had the NIGC worried. It required calling in the accounting firm of Finley and Cook to get it straightened up at a cost of over a million dollars. It took several months but after it was resolved, all the financials we needed were received in a timely manner and NIGC was comfortable enough to ease up on their concerns. Then someone got the bright idea to give Finley and Cook the boot and bring the accounting in house—Good idea if you're ready and capable: Bad idea if you're not. Finley and Cook's last day was March 31.

When the financial life blood of the Nation is gaming revenue and you decide to change accounting systems and staff the logical thing to do would be to run the current system alongside the new until you're ready to cut loose the old firm. You don't need to be a CPA to understand that. Even a baby monkey riding on his mother's back will grab a new handful of mama's hair before he lets go his old grip. But we didn't have a transition plan in place, so we're got a big problem.

A report for April was rendered but with the caveat that the figures were "about 95% correct." It appears that we are 45 days behind in revenue auditing. If this is true, it is further behind than the last time this happened some two years ago. Even though Congress was assured that the reports would be current by August 1, some knowledgeable people are saying those reports may not be reliable.

As of today some employees at the Casino on payroll direct deposit have not received their checks that were due yesterday. Some vendors have put Osage casinos on cash basis only for beverage purchases.

By questioning the CFO, Bill Leonhart, we discovered that the Casino accounting department did not have adequate staff to keep up with the current work load. He has made attempts to hire other firms to come in and help. Obviously we weren't ready to take over the casino accounting. Going to a new firm for help will be more expensive than bringing back F & C who is at least familiar with the operation. I suggest that it would be better for the Gaming Board and the CFO to bring F & C back to straighten things out again. Better for the GB and CFO to lose a little face than to allow this to go on longer and cause the Nation to lose its butt.

#### **WHAT DO YOU THINK ABOUT THESE LAWSUITS?**

Congress is here to represent the people, so when the Chief sues Congress, in effect, he is suing you. Some citizens have asked "Who pays for these suits?—The answer is that you are. You are paying to sue you.

We are right in the beginning of the budgeting for fiscal year 2009. The Chief has numerous lawyers on the payroll. The only money he has to pay them is the money we appropriate. I would appreciate it if you would let Congress know your thoughts on funding these lawyers, but keep in mind that some

legal fees are necessary to conduct the normal business of the Nation. Your thoughts should be sent to our Staff Director at [Llazelle@osagetribe.org](mailto:Llazelle@osagetribe.org) and if you request it, she will distribute your one email to all members of Congress.

### **BUDGET DELIBERATIONS BEGIN TODAY**

A deadline of June 15 had been set for the department budgets to be delivered to Congress. The Executive Branch did not have them ready and requested an extension to July 15. None were received on that day. Late yesterday a number of budgets were delivered. Health and social services committee began reviewing those budgets within their jurisdiction this morning. At 1:00 PM today Governmental Operations was scheduled to begin theirs. During the regular session, Anthony Shackelford made a motion that the GO committee meeting be canceled because the budgets brought over by the Executive Branch contained personal employee information. The budgets were sent back and corrected.

The budget process promises to be a long tedious one with Congressional committees meeting every day until all departments have been examined. For the past two years the budget time has been difficult and frustrating both for the departments and Congress. This year a number of changes promised to help make the process better for everyone. The addition of a budget analyst, Clint Hill, has been a great help.

We could put a restriction on appropriations that none of the Contractual line item could be used to sue Congress, but the Chief has vetoed parts of a line before. Recently he requested \$30,000 to pay a certain consultant. We appropriated the money and specified the name he submitted. He vetoed the name but kept the money. Oklahoma has held that when a governor has done that, the money portion is vetoed also. We don't go by Oklahoma law so our question will have to be settled in our tribal court someday.

Another situation that we have been asked about frequently is when in the last special session the Chief had asked for \$70,000 additional money for travel and \$30,000 to hire another consultant. We appropriated \$8,000 for travel and nothing for the consultant. The Chief took 10% or \$36,000 out of the people's burial fund to use for these items. He could do this because we had put the burial fund in the Executive Branch budget. The transfer was technically legal but it hadn't occurred to us that anyone would do such a thing. For the year 2009 our intention is to create a separate burial account so this money can't be transferred to other purposes.

### **THE INDEPENDENT PRESS ACT**

The Constitution mandates: "The Principle Chief shall dutifully support the Constitution and the laws of the Osage Nation and shall see that the laws are faithfully executed, administered enforced."

The Independent Press Act was passed by Congress on April 9, Vetoed by the Chief and the veto over ridden by Congress on April 17. It is the law of the Nation. The Chief has done nothing to implement the provisions of the law.

News is still being suppressed. Press releases are being disseminated that cast aspersions at the body of Congress such as "being on a witch hunt, etc."

We have really good Osage directors and employees in all our departments including the Osage News. If they are given their independence I have confidence they would give Osage citizens an honest picture of the Nation. One reporter, Shannon Shaw, has done her best, in my opinion, to give balanced and fair articles, even under these conditions. She is so honest, if she wrote something bad about me, I'd probably believe it myself.