

3/11/2012
**RESOLUTION OF THE SUMMIT LAKE PAIUTE COUNCIL
SUMMIT LAKE PAIUTE TRIBE
OF THE
SUMMIT LAKE PAIUTE RESERVATION, NEVADA**

RESOLUTION NUMBER: SL-01-2012

TITLE: Disbarment of individuals who served on the Council from 2000 – May 20, 2006 from engaging in business of the Summit Lake Paiute Tribe

WHEREAS, the Summit Lake Paiute Tribe is organized pursuant to Section 16 of Indian Reorganization Act of June 18, 1934 (48 Stat. 984) as amended, with the Articles of Association, and approved by the Secretary of the Interior on January 08, 1965, granting certain powers to the Summit Lake Paiute Council (see Article II, Section 1) to include determining its own rules of procedure (see Section 1(j)) and to take such actions as are necessary to carry into effect any of the foregoing powers and duties (see Section 1(k)); and

WHEREAS, the Summit Lake Paiute Council has the responsibility for the general welfare of its tribal membership (see Article II, Section 1(b)) including management of tribal assets (see Article II, Section 1(c)); and

WHEREAS, the Summit Lake Paiute Council is the duly constituted governing body within the boundaries of the Summit Lake Paiute Reservation; and

WHEREAS, the Summit Lake Paiute Tribe (Tribe) from May, 2007 to the present, has spent considerable resources to resolve deferred revenue, defined as cash advanced to the Tribe that was not spent on allowable expenditures, for fiscal year (FY) ending December 31, 2000 through December 31, 2006; and,

WHEREAS, deferred revenue for FY 2000 – 2005 was estimated by the Bureau of Indian Affairs (BIA) Western Nevada Agency (WNA) in a memorandum from the Office of Audit and Evaluation (IAE) dated May 22, 2007 to exceed \$1.5 million; and,

WHEREAS, sometime after the May 22, 2007 IAE memorandum, it was determined the BIA was time barred from sustaining FY 2000 deferred revenue; and,

WHEREAS, on January 10, 2008, the BIA issued a Findings and Determination (F&D) document which reflected a final decision to the Single Audit Report of the Tribe for FY 2004 – 2005, and sustained a total of \$1,138,158 as questioned costs for FY 2004 – 2005; and,

WHEREAS, on January 24, 2008, the BIA amended the F&D document for FY 2004 – 2005 which sustained \$660,050 as questionable costs; and,

WHEREAS, the Summit Lake Paiute Council approved resolution SL-13-2008 in response to F&D of Audit Reports for FY 2004 – 2005, which authorized an appeal with the Civilian Board of Contract Appeals, General Services Administration, to seek compromise of debts identified from audits for FY 2004 – 2005; and,

WHEREAS, Council resolution SL-13-2008 disclosed details on outreach initiatives and meetings conducted by the Tribe to discuss the magnitude and origin of the deferred revenue and strategize how to repay a bill of collection for deferred revenue; and

WHEREAS, it was noted no individual who previously served on the Council from 2000 to May 20, 2006 came forward with any assistance or information during outreach initiatives cited in Council resolution SL-13-2008, to help the Tribe deal with the deferred revenue problem; and,

WHEREAS, on April 19, 2008, the Council issued a letter to the Civilian Board of Contract Appeals (CBCA), General Services Administration to formally appeal the \$660,050 deferred revenue amount and to request suspension of proceedings to allow additional time to investigate questioned costs for FY 2004 – 2005 as detailed in a Corrective Action Plan suggested by the BIA; and,

WHEREAS, beginning April 23, 2008, the CBCA issued a notice of docketing to initiate the appeals process and thereafter issued several extensions to allow the Tribe and BIA to develop and implement a Corrective Action Plan; and,

WHEREAS, while implementing the Corrective Action Plan, it was deemed necessary to investigate financial transactions through 2006; and,

WHEREAS, during a Council meeting on August 29, 2009, during open forum, tribal members in attendance recommended potential penalties to impose on former Council members responsible for the deferred revenue, including prosecuting past Council members for monies owed to the federal government, banishment from Reservation and from holding office, and disenrollment; and,

WHEREAS, in the Tribe's 2004 – 2006 Deferred Revenue Narrative Report presented to the BIA November 11, 2010 and amended December 15, 2010 an analysis of final financial balances of deferred revenue funds for FY 2004 – 2006 was detailed, and disclosed two probable causes of the deferred revenue problem being: 1) The Tribe over-expended its available indirect cost funds for general administration because audits were not completed timely which resulted in a failure to obtain indirect cost rates or recover indirect cost from a range of agencies for the administration of federal contracts and grants; and 2) the Tribe became involved in a land

acquisition transaction which caused extensive expenditure of funds which were disallowed by the BIA; and,

WHEREAS, in the Tribe's 2004 – 2006 Deferred Revenue Narrative Report presented to the BIA November 11, 2010 and amended December 15, 2010, it was also disclosed that expenditures related to land acquisitions occurred from 2003 – 2005, and ceased in 2006; and,

WHEREAS, through persistent negotiations and numerous meetings between administrative staff and financial consultants of the Tribe, the Council, the BIA WNA and Western Region Office, and legal counsel for the Department of the Interior, the deferred revenue was reduced to \$108,510 as detailed in an Amended F&D Single Audit Reports of the Summit Lake Paiute Tribe for the Fiscal Years Ended December 31, 2004, December 31, 2005, and December 31, 2006 dated May 4, 2011, and referenced in a letter issued by BIA WNA to the Tribe dated May 6, 2011; and,

WHEREAS, the BIA committed to assist the Tribe in preparation of an application to have the debt waived by the U.S. Department of Justice with no guarantees that any waiver of debt will be granted as disclosed in a Settlement Agreement appended to a letter issued by BIA WNA to the Tribe dated May 6, 2011; and,

WHEREAS, correspondence received from BIA dated May 6, 2011, also disclosed a Bill for Collection would be issued for the disallowed cost of \$108,510 and recommended audits for 2004 – 2006 be closed; and,

WHEREAS, on June 15, 2011, the Tribe was issued a Bill for Collection for the amount of \$108,510, to be due July 15, 2011; and,

WHEREAS, after receipt of the Bill of Collection, the Tribe issued a letter to BIA detailing the lack of resources available to pay the Bill of Collection and requested debt relief for the amount of \$108,510.

NOW THEREFORE BE IT RESOLVED that deferred revenue problems between the Tribe and BIA started in 2000 and continued through 2006 as a result of mismanagement of federal funds; and,

BE IT FURTHER RESOLVED only one former Council member who served from 2000 to May 20, 2006 came forward with any information or assistance to help the Tribe solve the deferred revenue crisis, however, that individual was removed indefinitely from Council for gross misconduct and neglect of duty at the September 19, 2009 meeting; and,

BE IT FURTHER RESOLVED that tremendous amount of resources were dedicated from 2008 to the present by federal agencies, the Council and Tribal administrative staff and consultants to reduce the deferred revenue from over \$1.5 million to \$108,510; and,

BE IT FURTHER RESOLVED that due to issuance of the Bill of Collection for the deferred revenue from the Department of the Interior National Business Center, the Tribe's eligibility for federal contracts and grants will be greatly scrutinized or jeopardized until the deferred revenue is waived or paid; and,

BE IT FURTHER RESOLVED the Council and Tribe has made fiscal accountability a priority to prevent future deferred revenue problems from ever recurring; and,

BE IT FURTHER RESOLVED the Council hereby disqualifies and disbars all individuals who previously served on the Council from 2000 – May 20, 2006 (i.e., Robyn Burdette, Robert Sam, Lucille Sam, Grayson Huitt, and Lorraine Watson) from ever seeking election to the Council, influencing government officials of the Tribe, or participating in any government or business activity of or on behalf of the Tribe, for acts of gross misconduct and neglect of duty including attendance of meetings or seeking employment with the Tribe; and,

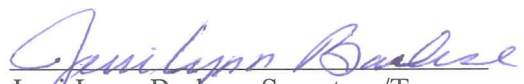
BE IT FURTHER RESOLVED disbarment of individuals who previously served on the Council from 2000 – May 20, 2006 does not waive the Tribe's sovereignty to seek damages for loss resulting from deferred revenue imposed by the BIA for the period of 2004 – 2006; and,

BE IT FINALLY RESOLVED the action to disqualify and disbar all individuals who previously served on the Council from 2000 – May 20, 2006 for acts of gross misconduct and neglect of duty cannot be appealed and is deemed necessary to protect tribal assets, and prevent mismanagement of federal or tribal funds.

C-E-R-T-I-F-I-C-A-T-I-O-N

I, **Jerri Lynn Barlese, Secretary/Treasurer**, of the Summit Lake Paiute Council, hereby certify that the above Resolution Number: **SL- 01 -2012** was brought before the Summit Lake Paiute Tribal Council at a duly held meeting on the **18** day of **February, 2012**, with **5** members of the Tribal Council present, constituting a quorum, with the following votes to enact Resolution Number **SL- 01 -2012; 4 FOR, 0 AGAINST, and 0 ABSTAIN**; with the Tribal Chairman presiding and not voting, this Resolution has not been rescinded, revoked or amended.

2/18/2012
Date


Jerri Lynn Barlese, Secretary/Treasurer
Summit Lake Tribal Council