

Michael B. Jandreau,
Chairman



187 Oyate Circle
Lower Brule, SD 57548
605-473-5561 - Phone
605-473-5606 - Fax

An Open Letter to the Tribal Members of the Lower Brule Sioux Tribe

From: The Lower Brule Sioux Tribal Council
Subject: The Cobell Settlement Agreement and the "Salazar" Settlement
Date: December 4th, 2012

Recently, the federal government settled two major lawsuits that impact Indian Country and Individual Tribal Members. We are writing this letter to provide information that may help you understand what these settlements are about and how the Lower Brule Sioux Tribe and our membership, is affected.

1.) DOI News Release - November 26th, 2012 - (Cobell Settlement Agreement)

"Secretary of the Interior Ken Salazar today lauded the final approval of the Cobell settlement and outlined steps that Interior will take to help implement the historic \$3.4 billion settlement. The settlement resolves a long-running class action lawsuit regarding the U.S. government's trust management and historical accounting of individual American Indian trust accounts. It became final on November 24, 2012, following action by the Supreme Court and expiration of the appeal period.

There are several parts of the Cobell Settlement Agreement that will directly affect Tribal government and Members. The basis of the Court Case was the mismanagement of Tribal lands and resources by the United States of America. The various parts of the settlement are an attempt to provide some relief to the American Indian nations that were impacted by this mismanagement. The settlement includes a \$1.5 billion fund to be distributed to class members for accounting and potential trust fund and asset mismanagement claims. The settlement also includes a \$1.9 billion fund for a land consolidation program that allows for the voluntary sale of individual land interests that have "fractionated," or split among owners, over successive generations. Fractionated land can have many owners - sometimes hundreds or more - diminishing the land's value and making it difficult for individuals to use the land for agriculture, business development, or housing from which tribes can benefit. Up to \$60 million of the \$1.9 billion fund may be set aside to provide scholarships for American Indians and Alaska Natives to attend college or vocational school."

As explained above by the Department of Interior (DOI) news release, under the Cobell Settlement Agreement many of you (all who have Individual Indian

Monies/I.I.M. accounts) will receive direct payment(s) from the United States Government for mismanagement of your individual trust land and resources income.

In response to inquiries at the Indian Trust Settlement Office we have been informed that the federal government is attempting to send I.I.M. Account holders payment before December 25th, 2012.

We have also inquired to the various service providers for the reservation (TANF, SNAP, Food Stamps, GA, Medicare, Medicaid, etc.) if these funds will have an impact on service eligibility and have been informed that they will not. However, they also state that this "trust" income may be considered as a "resource".

The Tribal Council is also looking at various ways that we can get the most benefit from the other portions of the Cobell Settlement Agreement, such as, the land consolidation program.

2. Secretary Salazar and Attorney General Holder Announce \$1 Billion Settlement of Tribal Trust Accounting and Management Lawsuits Filed by More Than 40 Tribes - April 11th, 2012 - (Salazar Settlement Agreement)

Several years after the Cobell Class Action lawsuit was filed, several Tribal Governments across the country filed a separate lawsuit that called for the accounting of trust funds and non-monetary trust assets or resources that were mismanaged by the federal government. The Lower Brule Sioux Tribe joined this lawsuit in the late fall of 2005. This lawsuit, referred to as the "Salazar Case" (because at the time of settlement Ken Salazar was the Secretary of the Department of Interior) was settled in late spring of 2012. However, final settlement was dependant on the payment of attorney fees and expenses. After many weeks these issues were negotiated and the final settlement occurred on October 9th, 2012 at which time the Lower Brule share of the settlement was transferred to the Lower Brule Sioux Tribe.

The Lower Brule Sioux Tribe's portion of the dollars outlined in the Salazar Settlement Agreement are provided to repay the Tribe for historic accounting inaccuracies that the Tribe has been forced to cover out of other income sources and general funds. Essentially, the Tribe has been shorted on the income and resources that were owed to us and, that are necessary to operate the administrative, financial, executive, legislative, and judicial systems of the Tribe. The "historic" mismanagement of the Tribe's land and resources, by the United States, has forced the Tribe to cover the federal government's unpaid **debt** to the Tribe thus, negatively impacted the Tribe's ability to pay financial obligations, make future investments, and provide better services to Tribal Membership. These settlement dollars are in fact **reimbursement** to the Tribe for past Tribal expenditures that the United States government failed to cover.

The negotiated settlement agreement with the Lower Brule Sioux Tribe was reached on October 9th, 2012 and provided the Lower Brule Sioux Tribe with compensation in the amount of **\$18 million** of which 20% (\$3,600,000) was immediately disbursed to the legal representatives for attorney fees and \$161,450.15 for their expenses as per the agreement and before the Tribe received any funds. After fees and expenses, the total amount received by the Lower Brule Sioux Tribe was \$14,240,477.66. Of that amount the tribe has repaid land purchase and operation loans in the amount of 1.8 million, 1

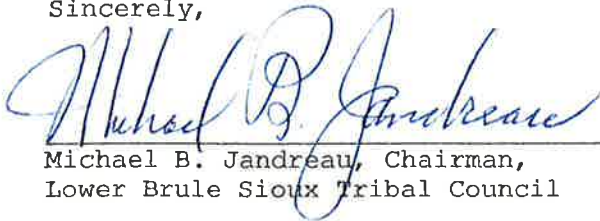
million to the payroll account, and 1.5 million to the General Fund. Although the funds in their entirety are by rights **owed** to the various accounts of the Tribe, the Tribal Council has decided to place the remaining \$10 million in a secured account while we contemplate future action on how best to utilize these dollars.

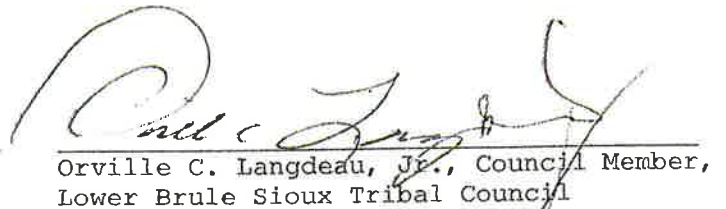
We are truly honored to represent you and our Tribe, and we would like you understand that though current deliberations exist that include the potential of sharing these dollars as a payment to each individual tribal member, such a payment will diminish the degree of services that can be provided on an on-going basis. The difficulty in reaching a consensus on the amount to be disbursed to individual Tribal Members is based on the fact that the needs that face us as a Tribal Government to provide opportunities for the future will be greatly curtailed by any payout made from these funds, no matter what the amount. Further, although there is no *legal requirement* that a per-capita payment must be made, the Tribal Council's desire to consider this action, exists solely because of the trust that you have placed in us as your duly elected Tribal Leaders. These dollars offer the Tribe a tremendous opportunity to do many things.

In closing, we want to thank you all for your patience and understanding as we look to the future with our hopes and prayers for the continued success of the Kul Wicasa Oyate.

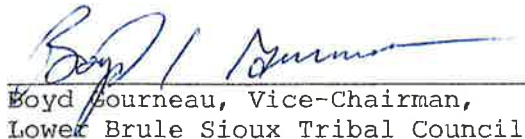
Thank You.

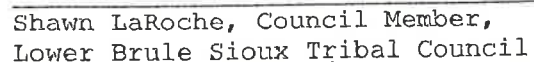
Sincerely,

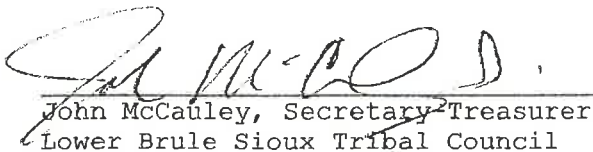

Michael B. Jandreau, Chairman,
Lower Brule Sioux Tribal Council

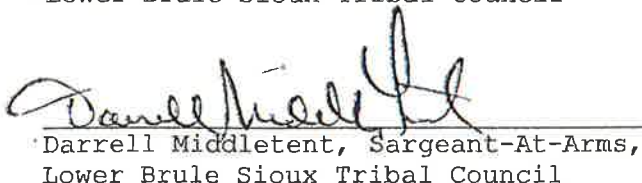

Orville C. Langdeau, Jr., Council Member,
Lower Brule Sioux Tribal Council

At this time, as per Telephone Conversation
11:12 a.m. on 12/5/12 Council Member LaRoche
has Abstained from signing this letter


Boyd Bourneau, Vice-Chairman,
Lower Brule Sioux Tribal Council


Shawn LaRoche, Council Member,
Lower Brule Sioux Tribal Council


John McCauley, Secretary-Treasurer
Lower Brule Sioux Tribal Council


Darrell Middletent, Sargeant-At-Arms,
Lower Brule Sioux Tribal Council