

Report of Speakers United Osages of Southern California Spring Meeting April 26, 2008

First Speaker was Congressman Raymond Redcorn.

Editorial Note: The following presentation, questions and answers were transcribed from the video. I did not write every word, some questions were left out as I could not hear precisely what was said. The audio portion needs to be improved. If we use the OUSD Board Room again I will have a microphone for the audience and the guest speaker.

Raymond polled the audience asking if anyone knew how much cash was in the Osage Nation's account. No one had the correct answer.

The reason I ask the question is on the OSA blog the most common question is, "Where's the money?" The answer to the poll is 15-19 million, depending where we are in the bill paying cycle. If you had 15 million dollars you would not have it in the bank in CD's with plummeting interest rates.

The reason that Congresswoman Anderson and I introduced seemingly competing legislation was to bring some level of sophistication to the investment profile for this money. If the Osage Nation spends what it usually does, then that number will be 25 million in five months (Editorial note: this is April then in September 2008 it will be 25 million, September 2009 that amount will be 45 million) Raymond withdrew his legislation, Anderson's was vetoed and congress upheld veto.

There are a couple of ideas that are in the discussion phase.

RESERVE FUND

We need a reserve fund equal to about one year's worth of expenses. That would be somewhere in the 20 million range. The money should be accessible in the event of catastrophic event, natural disaster etc. It should be protected in some way. The purpose would be to shield us from short term shortfalls. This fund would require a specific investment strategy. This would probably be the first legislation introduced.

PERMANENT FUND

What do you want the permanent fund to do? If you were to ask the Osage National Congress that, you would get probably 12 different answers. The constituents need to weigh in on this question. Is it just to build wealth, will we spend it down some way, will we build it up to 100 or 200 million and then do something specific with the interest?

We have two options available as to what to do with the permanent fund. The first option is to have an investment firm such as Merrill Lynch, Smith Barney or any number of investment firms, to invest our funds. With 50 million dollars they will be coming to us. You can hand pick your managers, enjoy really low fees of 0.65 %. A lot of tribes have done this.

Option two: At first blush I kind of like it. But I need to do much research, and I am interested in what your opinions are. The best investments are made by institutions, such as CalPers (California Public Employee Retirement System) UC. University of Oklahoma.

If we are really careful, we could hire our own fund managers. We will demand high performance. An added benefit is that individual Osages could piggy back their investments with the Permanent Osage Fund. Other small tribes could piggy back as well. Pen has not hit paper on this yet. (Raymond solicited input and stated he would be available for comment later in the day)

Recently passed Enterprise Act.

The recently passed Enterprise Act was sponsored by Anthony Shackelford and me. From beginning to passage it took 10 months. The purpose of the Enterprise Act and accompanying legislation was to set a good plan for diversification of Osage enterprises.

About 90% of our revenue is gaming. We have invested very close to 60 million in casinos. Large sums of money have been going out to pay our casino debts. There are charts that show how much money we have invested in casinos. We have invested pretty close to 60 million in cash in our gaming facilities. The reason you have not seen these charts is because we have been paying as we go. As of July this year our casinos will be debt free.

No one has seen any of this money because we have been paying it out immediately.

The Enterprise Act provides for an initial funding of 3 million and creation of a Board. The investments may be passive at first. Diversification is not diversification when you have invested 60 million in one industry and your first effort to diversify is 500K.

I am here to implore you to contact the congressperson you normally talk to and ask for the full funding of the Enterprise Act. If you have not read the legislation that would be a five person board. I promise you Congress will look at these people with a fine tooth comb. We will get it right this time. We need professionals in there, we need a top dog. We don't need to depend on one industry.

FOCUS OF CONGRESS in general

This year I was placed on the Governmental Affairs Committee. We have reorganized Congress; we have shrunk the amount of committees. I am not exaggerating; about 8-9 of each 10 bills are government related. Some remarks have been made that this committee is too powerful. The simple fact is that congress is writing legislation that is government related. Election law, Separation of powers, free press, etc. Congress is too focused on the mechanics of government. Health and education got very little attention.

We (Raymond focused on the we) need to focus on the needs of our constituency. We are not paying enough attention to the needs of our constituents. There are a couple of reasons for this. It is hard to determine what a good comprehensive serviceable health plan can be. Things of this nature require much research. We should not shy away from hard and difficult issues. We should dive in and come up with one bill to benefit the people sitting in this room. We need the same for education. What I am here to say is that we need to quit picking the low hanging fruit. It is time to pay attention to the difficult issues.

Question and answer period

What follows is a partial list of questions and answers.

Q. Disposition of the trust fund why was it a resolution instead of an act

A. The short answer is: Article 4, Section 5 Osage Nation will not be in conflict with Federal law. We wanted it to be binding to us and not step outside of the law.

Q. What is the hang up with a global Health care plan?

A. The hang up is the Congress. It is not my place to speak for Congress and never should I. My opinion is: Until Osage Congress familiarizes itself with the mechanics of how Indian Health Service works with some kind of knowledge in what the real problems are and some kind of prevention, then we are writing law, throwing it against the wall and seeing if anything sticks.

I don't want to make this about me and it shouldn't. I am not the chairman of the Health Committee. I don't know a thing about it and I volunteered for it because of the reason I stated earlier, that it is time that Congress get involved in things that people can see, hear and touch.

This will take 6 months maybe a year for us to formulate useful legislation that means something that you can use that we can sustain. I cannot emphasis the sustainability enough. We can start spending money tomorrow. I don't want to study this to death. We

have a meeting set for the week of 28 April with the regional head of Indian Health Service. This is to start the process of learning the system.

Q. Who appoints the 5 member Osage Enterprise Board of Directors?

A. The 5 member board will be appointed by the executive office and confirmed by congress

Q. What will be their salary?

A. Not been set yet

Q. What kind of business do you think they will engage in?

A. I am glad you asked that question. It is not the business of congress; we need to stay out of the business. If we had 12 members of congress trying to manage a business you will just run around in circles. The Congress will exercise Oversight and ensure the annual plan is followed. Politics and business do not mix.

Q. Do you think Jim Gray would have undue influence in what business the board engages in?

A. That is a question for Jim Gray

Q. Why don't we start a health care business ourselves under the auspices of the Osage Enterprise Act?

A. Don't start a business, buy one. (Editorial analogy is: don't build a car, buy one) We buy a business and take the tax monies and pay the bill for the business on time. Make it pay for itself. Manufacturing is hard, don't do something hard, we don't pay taxes do something easy.

Q. Will you exercise due diligence in selecting managers of any enterprise for what ever reason.

A. Yes

Q. Can you tell us why Jeffery is gone?

A. He resigned.

Q. Can you tell us why?

A. That is a question for Jeffrey

Q. Was the constitution ratified by a majority of the Osages?

A. In my opinion yes.

Q. I am a qualified voter and was not able to vote absentee to ratify the Constitution.

A. I will answer the question, you deserve it. I was involved in the election process. It was less than wonderful. There was no clear authority figure, no single person you could go to. Responsibility was shifted around. I was aware a little bit, but not an authority.

Q. We set up a commission; if it was not legal then the ratification is not legal. Can we as individuals receive a copy of the constitution?

A. Yes contact the Congress.

Q. Victoria Graves received a \$16,000 scholarship. Why was she singled out to receive the money?

A. I don't know the answer to that question.

Q. Did you vote to give her the money?

A. Yes I did, it was early in my career as a Congressman and I would not vote that way again. When any constituent wants to know how money is spent that does not appear in print, I want you to email me. There is a lot of things I did in the first few months in Congress that I would do differently now. redcorn@osage-tribe.org or redcorn@gmail.com. When you want updates on bills, please email me and I will put you on the distribution list.

Q. Who do we contact about Casino information?

A. We are in a competitive business in the casinos What I cannot do is pass on information subject line labeled confidential, proprietary.

This concludes my report

Bill Myers

Report of Speakers United Osages of Southern California Spring Meeting April 26, 2008

The second speaker was Cynthia Boone of the Minerals Council
Of the items she brought I scanned the Open Letter from the Minerals Council and it is
with this email as an attachment.

What follows is pretty much taken from the Video, I did not transcribe everything but this
should be representative of her presentation, and the Question and Answer segment.

John Henry Mashunkashey is now the chairman of the Minerals Council. The reason I
voted for a change was because during the last payment time they kept the amount of
payment secret from the Minerals Council and the Shareholders. This is your money, you
should know, let it out. This was prompted by the fact that a constituent posted the last
payment amount on the OSA blog before it was announced at the minerals Council
meeting.

We have been moving from negotiating leases to lease options process. This has brought
us \$158,470 in bonus money. Under the lease option a driller must post up front money to
the BIA to drill. We keep the up front money if the driller finds oil or not.

We have increased royalty from 18.75 % to 20%. This is where we receive 90% of our
money.

If you remember last October, I mentioned the Gross Production tax. This money is taken
from the royalty money and given to the state for the maintenance of schools and roads.
The Executive branch tasked tribal tax commission attorney, John Fredericks to get an
accounting of these funds from the State of Oklahoma. This is an infringement upon the
duties of the minerals council. A result of the John Fredericks investigation was the
discovery that the State was funding the County roads and school at a higher rate than
afforded by the gross production tax. I introduced a resolution to the Minerals Council
inform John Fredericks that no further action on his part is necessary

In another item, we voted 8-0 to have only minerals council people on the Trust Team.
An open letter from the Minerals Council was published. This letter explains the position
of the mineral council and the need for the tribe to be unified. The announcement for the
ribbon cutting ceremony left out the Minerals Council. The Minerals Council was left out
of the entire day. After the Minerals Council voted unanimously to exclude non mineral
council people, the Mineral Council reversed itself to return Chief Jim Gray and Speaker
Archie Mason to the trust team Today (April 26, 2008) they are having a ribbon cutting
ceremony in Oklahoma and the Mineral Council was left out of the ceremonies.

Cobell case was discussed.

We have been made aware of a business called “Mail Marshall”. This is a contracted company that reviews the Osage Tribal and Mineral Council email. This has made many people uncomfortable believing that all email is reviewed by a third party. This has engendered an ill will from those who expect privacy when they email the government.

Cynthia’s home email is tom@cowboy.net and not subject to the Mail Marshal.

We (the entire Minerals Council) are taking a trip to DC to meet with the Department of the Interior. To discuss TERA

QUESTION AND ANSWER PERIOD

Q. What is TERA?

A. Tribal Energy Resources Agreement. They (the Nation) could come in and start an oil company, they will need to compact certain jobs with the BIA. And that concerns me I’m not real happy with the fact that our Tribe wants to take over some positions, some jobs that they have no knowledge about. And with our relationship with the bureau, with our trust responsibility, I am happy to leave everything the way it is. I am happy with the BIA, I am happy with the Office of the Special Trustee and what they do. When that trust is gone we might as well say “Adios” That is my own personal feeling. But they could do a business and take over a lot of things: that may be coming for us. We will know more when we come back from our trip.

Q. Why don’t we have a Chief and Assistant Chief for the Minerals Council as prescribed by the 1906 Act?

A. Now that is the Million Dollar Question. The new Government did away with our Chief and Assistant Chief He took a governing body that had leadership, a Chief and Assistant Chief. My personal opinion: he diminished that authority down to a little board or something.

Q. Have you tried to get the Chief and Assistant Chief back?

A. I presented a resolution to bring back the chief and assistant Chief. That was the best meeting we have had to date. It was so well choreographed for the Executive Branch to bring in all their friends and employees as to say why we should not have a chief and assistant Chief. After we all listened to every one on the floor, I made the motion to have the Chief and Assistant Chief. No one would second the motion. It died on the floor.

This concludes my report of Cynthia Boone’s presentation.

Bill Myers

