

NOTES TO THE NATION MARCH 15, 2009

THE FALL SESSION BEGINS TOMORROW MARCH 16 AT 10:00 AM

Several pieces of legislation will be considered by Congress during this session; it will pay you to keep watch on the proceedings. Many of these proposals can alter the future of our Osage Nation.

In these Notes I will try to give you some of the factors that could influence our decisions. Any opinions are mine alone; some in Congress may agree, some will not. Just remember, it takes a majority to get anything done. Any comments on legal issues are just the way I understand the issues. Of course, I am not a lawyer, although some may think I have enough bad habits that I could have been one if I was so inclined.

Some legislation, if passed, would increase the size of the bureaucracy by putting additional bureaucrats over our already competent program directors. In my opinion, each level of bureaucracy above the directors tends to be staffed with people with even less program knowledge so that as the size of government increases, it grows even less efficient.

Some legislation, if passed, would erode the rights of Osage citizens and the Constitution; some would strengthen each; all of it will—at some point—be presented as if doing one, but really might do the other; that is what you need to watch.

NOTES FROM THE RETREAT FEBRUARY 11-12 AT THE QUAPAW CASINO

A report of the planning meeting we held last month has been approved and distributed to members of Congress.

During that meeting an issue that was constantly mentioned was the lack of cooperation and communication the Congress is receiving from the Executive Branch. You will find examples of this problem throughout this and other Notes to the Nation.

INFORMATION NOT COMING FROM EXECUTIVE BRANCH

Osage citizens want to know how many people went to the Presidential Inauguration and what it cost, so we sent a written request for the names and expences. We got a partial list of the names, but no costs. Another written request was sent—still, no reply.

We sent a written request to the Information Technology Department to see how many people actually are listening in to the Congressional Session meetings. IT quickly responded to the Executive Department, now they have set on this for 2 months and won't reply. Although we talk with IT frequently, they are forbidden to give us this information. A similar situation happened when we asked for the number of Osages living in Osage County; the CDIB Department quickly notified the Executive staff, but the Executive Branch withheld the information for 6 weeks.

APPROPRIATIONS COMMITTEE MET THURSDAY, MARCH 5

The Committee met at 10:00 AM to receive the data needed to project revenues for the coming fiscal year. We had asked that representatives for the following entities come to the meeting: Gaming, Tax Commission, Treasury, LLC and the Executive Branch. Everybody was a no show except Robert Hyatt and Hepsi Barnett for the Executive Branch. We have discussed this meeting with the Executive Branch for 2 weeks, but they said they didn't know they were to have the revenue projections by March 5.

Another Appropriation Meeting will be tomorrow, March 16, at 1:00 PM. The no shows at the March 5 meeting are to meet tomorrow morning and bring their completed revenue projections to the 1:00 PM appropriations meeting.

The Appropriations Committee is trying to get the appropriations process started early so that late in the process we will not be handed over 100 budgets at one time. In 2006 we got them all on September 5, 2006 to be examined and passed by the end of the session on September 28. No one wants to experience that again.

COMMERCE COMMITTEE MET AT 1:30 FRIDAY, MARCH 6.

We met with members of the LLC Board for the first time to discuss their plans and ideas.

The LLC legislation was passed with the thought of following recommendations developed in the Harvard Plan for Economic Development for Indian Nations. That study encouraged Indian Nations to take over their own economic development plans. One of the main ideas was to take the politics out of business and install sound business practices: instead of hiring relatives and friends just because they are relatives and friends; hire competent individuals with the needed skills. That, it was hoped, would be accomplished by hiring a skilled CEO and let him run the business. That was what was expected from the LLC Board. We had been told that a CEO had been hired; he was not to report for work until March 9.

In my opinion, the LLC Board got off to a bad start; doing what every board of the Osage Nation has done before—that is: trying to run the day to day operations of the business and making major decisions outside their area of expertise.

During our discussion with three members of the LLC Board it was disclosed that they had met with Executive Dept. staff to consider taking over the Palace Grocery and the Gift shop even before the new LLC CEO has reported for duty. We were told that members of Congress also asked them to take the businesses, but they were “not sure” who they were. You may remember that I alerted people in October 2008 that we had heard this was in the works even though a letter was distributed by the Executive Branch that indicated these were not the types of businesses to be considered by the LLC. I had been personally assured by one member that no LLC money would be invested in the Gift Shop.

The Congress had voted to close the Gift Shop due to the continuing losses. Our decision was to allow the current management to sell the existing inventory and continue as long as possible with no additional money being appropriated into the operation.

Legislation is being introduced that would allow the Chief to transfer the assets of the Gift Shop, Palace Grocery and the recently purchased Air Park over to the LLC. This will be attempted even though the new CEO has not had input or requested the transfer. This represents millions of dollars that will be locked into the LLC for 5 years. It seems to me that Congress would be setting a precedent of delegating to the Chief the right to appropriate money—not only undesirable, but unconstitutional.

LEGISLATION THAT I WILL INTRODUCE THIS SESSION

I will be introducing, for the fourth time, a resolution to amend the constitution to provide for a citizen’s right to membership, to protect against the purging of rolls as is happening in other states. Also, the following:

- A resolution to insist on the Executive Branch enforcement of the **Competitive Bidding Law**.
- A resolution to encourage and authorize the Chief to enter into a **motor fuel compact** with the State. The Osage Nation is the only major tribe that has not requested this money.
- A resolution to amend the constitution to change the wording from **membership** to **citizenship**.
- A **Per Capita Payment Plan** for Osage citizens.
- A resolution authorizing and directing the Chief to place our gaming sites into **trust status**.

When this 1st Osage Nation Congress went into office we were successful in getting the Gaming Reform Act of 2006 passed with the help of many involved Osage citizens. This law corrected a number of widely known problems. Then, when attention was no longer focused on gaming issues, this law was replaced by the Gaming Reform Act of 2007. Among other changes in the replacement is a clause that makes the Plan of Operation confidential by law. This clause was put in the act supposedly to protect us from our competitors.

With this in the law, Congress is able to spend millions of dollars of your money and it is illegal to tell you how it is being spent. The Government could borrow hundreds of millions of dollars and mortgage the future of you and your grandchildren without your knowledge. You only need to look at what the U. S. Government is doing today to get an idea of where this can lead—and that's being done completely in the open.

There are instances where confidentially is necessary—some legal issues, personnel matters, etc.—we all know that, but for all practical purposes, there are no secrets in normal gaming operations. If you want to know what's going on in your casino—you ask someone in another casino. When you buy new machines or systems who tells everybody?—The guy who sold it. Build a new building; try and keep that a secret.

With this clause in the law you could have more to fear from your own government than you do from our competitors. In fact, you're probably the only one who doesn't know what's happening with your Osage money. I may go down in flaming Technicolor, but I will try to eliminate this clause.

THE FUTURE OF THE OSAGE NEWS

The Executive Branch is having a meeting tomorrow night in Pawhuska concerning a proposal about the Osage News. My understanding is that three people are being flown in to make the proposal.

The Congress passed an Act in March that established an Independent Osage News. The Chief vetoed the law and the Congress came together and over rode his veto, showing a unified effort to have a truly free press. That put the law into effect, but the Chief never enforced it. Later he sued to have the law reviewed by the Osage Trial Court. The Trial Court accepted the suit and ruled the law unconstitutional. Before this, I had always been told that an over ride ended any further question as to the validity of a law. It had been expected that the Trial Court would simply dismiss the suit. Congress then appealed this decision to the Osage Supreme Court.

The lawyers I have talked with have indicated that the Supreme Court will reverse the lower court decision and reinstate the law. My understanding is that if the precedent is set of reviewing laws even after an over ride, any law that the Chief doesn't like could be upset in the Trial Court. One attorney has even suggested that any Osage citizen could challenge any law. Imagine the chaos that could result.

I think that the Trial Court decision will be reversed and it appears to me that the Chief believes it too. That could be the reason for the sudden interest, after 2 ½ years, in an independent press. Anyway, a lot of money is being spent in what appears to be a desperate attempt to influence public opinion to drop the appeal. To drop it doesn't seem likely though, because this has become an issue that could endanger the legislative process and the integrity of the court system, if not resolved.

ACCOUNTING PROBLEMS AT THE CASINOS

When we went into office in July 2006 we inherited an accounting system that was in bad trouble. The accounting firm of Finley and Cook had been called in to fix the problems and get accounting back to where reports could be made in a reliable and timely manner. They were able to do this at a cost of over \$ 1 million. Reports were being made on time and the revenue cash audits were being made daily until April 1, 2008.

A decision had been made by the Gaming Board to bring the accounting in house. Not a bad idea—if done in a professional manner; That’s not the way it was done. On April 1, 2008, Finley and Cook was dismissed without a workable transition plan in place. Immediately the accounting department experienced problems. Members of Congress began to receive reports from concerned casino employees that major problems were being encountered. We were told that evidence of this was to be found at the Hominy casino records storage. This was verified by a Congressional oversight visit. When we confronted the Gaming Board of what we had found a complaint calling for a hearing was filed against the members of Congress. Rather than taking action against the people responsible for the accounting irregularities, action was taken against those who exposed the problem.

Eventually it was established the actions taken by Congress were the proper oversight actions.

Casino accounting had deteriorated to the point that the former daily accounting had fallen to 71 days late. Formal statements have been issued that our casino accounting records were inaccurate and unreliable.

The accounting firm of Joseph Eves was hired to attempt to correct the accounting deficiencies. They have been there for over 5 months. This indicates an expense that could eventually reach the former cost caused by 2006 debacle. Since Eves was still there at the end of the fiscal year, it must trigger a qualified audit for 2008; that will lead to a Notice of Violation from the NIGC. You can expect that, but as slow as NIGC is to act, it may be 4-5 months later.

If this problem, the recent ruling on our reservation status and the state of the world economy isn’t enough to open the eyes of government you better check everyone’s pulse.

NEWS ARTICLES FROM THE PAST

These articles are taken from Kansas newspapers from the late 1800’s. The news was written from the white man’s point of view and sometimes the Osage didn’t get treated fairly. These excerpts are passed on for their historical value only.

Arkansas City Traveler, December 20, 1876.

The Osages are at peace with all tribes. Scalp locks still hang over Indian graves. The Kaw annuity payment was made last week. The Indians are in a good humor and full of fun.

Osage women are painted and in their finest. Mad dogs have fits and bite stock on Bird Creek. The Osage council is dealing with cattle thieves. Eagle feathers flutter from ponies manes and tails. Street dancing by the Osages is of daily occurrence. A buffalo was killed near Pawnee Agency last week. There are two Quapaw colonies on the Osage Reservation.

Farmers make rails of wild grape vines on Elk River, Kansas. There are four half breed Osage girls at the Osage Mission, Kansas. While Indians' thoughts remain unchanged, they are Indians still. There are nine ordained ministers among the Sioux. There is a similarity in the languages of the Sioux, Osages, Kaws, and Quapaws. Spotted Tail and his people are on their way back to the country of the Black Hills. The *World Carrier*, a paper published among the Sioux, receives material aid from the full blood Sioux. The interpreters for the Sioux delegation say they will come to this country, and bring the Sioux tribe with them. Spotted Tail doesn't want to live in this Territory. He can't find timber, and there is not enough rock with which to build out west. The Indians of Neah Bay Agency, Washington Territory, make more money by seal killing than any other Indians on that coast, and depend upon the success of their labor for a living. Osages sprinkle ashes around their lodges to keep witches away.