

# Probe: Local Indian Affairs office troubled

Woes highlighted in 1992 audit persist today

By DIANA MARRERO  
DESERT SUN WASHINGTON BUREAU

The Bureau of Indian Affairs in Palm Springs, which manages millions of dollars in commercial leases for Indian landowners in the area, continues to be plagued with problems found in an audit 15 years ago, documents show.

The local agency was the subject of a recent investigation by an internal auditor who found the office had not yet implemented all recommendations made in a 1992 audit report that found serious deficiencies in the agency's handling of leases.

Management problems at the BIA are costing members of the Agua Caliente Band of Cahuilla Indians untold amounts of money because of delays on lease agreements, overdue payments and the failure to assess proper annual rent increases, documents show.

The troubles within the Palm Springs office are emblematic of problems that have dogged the BIA for years, experts say.

"The problems you have there with understaffing and the lack of systems and resources are a reflection of what you find in BIA offices around the country," said John Doffert, general counsel for the National Congress of American Indians.

Nedra Darling, a spokeswoman for the BIA, said she could not comment on the investigation into the Palm Springs office because the inquiry was not yet closed. But she defended the work of the agency in general, saying officials are working to address its problems.

"It's a difficult job people are doing," Darling said. "We're tackling the issues as we can."

The BIA is under the Interior Department and collects about \$330 million a year in royalties and leases on behalf of 300,000

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Robert McCarthy  
attorney for the Palm Springs office  
of the Bureau of Indian Affairs

department is the subject of a class-action lawsuit by Indian landowners across the country who say the agency has squandered millions in land revenues.

Trust fund accounts from land in Palm Springs and other Southern California communities amount to about a fifth of the income generated from trust lands nationwide, said Vicki Forrest, a regional trust administrator for the Interior Department in Southern California.

The Agua Caliente control much of the land in the Palm Springs area, with individual tribal members owning about 19,400 acres and the tribe itself owning about 3,200 acres, according to an Interior Department figure reported by the Tiller's Guide to Indian Country.

## Mismanagement claimed

The investigation into the Palm Springs office was opened in October following claims of gross mismanagement of Indian trust funds made by Robert McCarthy, attorney for the office.

"We confirmed that the BIA Palm Springs office has not implemented all of the OIG's audit recommendations, and officials conceded that problems remain within the lease management program," says a recent letter by Earl E. Devaney, the Department of Interior's Inspector General.

Officials locally also said their

two tribal members, he wrote. Meanwhile, McCarthy has filed a complaint charging that BIA officials have retaliated against him by creating a hostile work environment and denying him awards. He contends his disclosure is protected under the Whistleblower Protection Act.

The Merit System Protection Board last week denied his request for corrective action, saying that although his disclosures were a contributing factor in the actions taken against him, his case

lessee bankruptcies, and lost opportunities to terminate leases in favor of more profitable redevelopment," McCarthy wrote. He provided more than a dozen examples to the inspector general of instances where officials at the Palm Springs office had mismanaged specific leases, including one in which officials failed to collect rent for three years.

The office also had delayed for years a multimillion-dollar land deal involving the cities of Palm Springs and Cathedral City and

payments, bonds, insurance or completion of development. He also claimed that a software program had gone unused for years and that officials relied instead on "an ad-hoc system driven by complaints."

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land managed by the agency, the letter said. A request for an investigative report providing additional details about problems within the office was denied because the investigation has not been closed, said Michael Washington, a records specialist at Interior.

In a memo two years ago to the inspector general, McCarthy wrote that the Palm Springs office lacked any kind of routine system to monitor compliance with the terms of leases, including rent

failed to meet certain standards for action. McCarthy says he plans to appeal the decision. "The most important thing that should come out of this is that Indians realize the full value of their land and that people who lease the lands are dealt with fairly," McCarthy said. "Ultimately, everyone will benefit if that is the outcome."

Contact reporter Diana Marrero at [diamarrero@nps.gov](mailto:diamarrero@nps.gov).

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office is understaffed and the automated lease system they use is insufficient, according to the letter sent to Sen. Barbara Boxer, D-Calif., in response to an inquiry by her office.

The inspector general's office also confirmed that a BIA official and two staff members had received gifts — tickets to a Palm Springs film festival in 2004 and gift baskets stuffed with spa robes — from someone who leases trust