



# LOWER BRULE SIOUX TRIBE

## MINUTES

### June 7, 2017

The Lower Brule Sioux Tribal Council Meeting was held at the Tribal Administration Building on June 7, 2017. The meeting was called to order by Chairman Boyd Gourneau at 10:07 AM.

The Opening Prayer was led by Chaplain John McCauley.

Lower Brule Sioux Tribal Council Members Present:

Chairman Boyd Gourneau

Vice-Chairman Darrell Middletent

Secretary/Treasurer Orville Langdeau Jr.

Council Member Clyde Estes

Council Member Donnie Moore

Council Member John McCauley

Also Present:

Tribal Manager Lee Brennan  
BIA Connie Vallie  
Personnel Manager Wilma Wilson  
Enrollment Marlys Langdeau  
Chris Skunk  
Janet Traversie  
Janice Bad Horse Larson  
Wildlife- Director Ben Janis & Shawn Grassel  
Partnership for Success Tonya Derdan- Jessica Shaffer-Mark Powers  
LB Tribal Attorney Tara Adamski  
LB Infrastructure Office Lori Gourneau  
Tim Felecia  
CHR Program Shirley Crane  
Heath Administration Christine Olsen  
Vanessa Jimenez  
Antoinette Goodlow  
Boys & Girls Club Melissa Johnson  
Hilltop Church Chris Little  
Regina Box  
School Superintendent Lance Witte  
School Assistant Superintendent Berle Johnson  
LB/CC Education Consultant Dan Shroyer  
Elementary Principle Wildmike Pate  
Security Bob Merritt  
Native Hope-Kansas Middletent-Kyal Middletent-Julie Muldon, Trisha Burke, Aaron Stryzewski,  
Danielle Running Horse, Erica Donner  
Cultural Resources Program Clair Green  
Black Hills National Forest-Jerry Kruger-Mark Van Every-Michael Hilton  
Daniel Grassrope  
Joseph B. White Eyes

1. Approve to Close May Tribal Council Meeting

Motion was made by John McCauley to close the May 2017 Tribal Council Meeting. This motion was seconded by Darrell Middletent.

Vote being: Darrell Middletent for, Orville Langdeau Jr. for, John McCauley for, Donnie Moore for and Clyde Estes for.

Motion carried with vote being five members for, none opposing, none absent and none not voting.

2. Chairman Gourneau gave Report on the Audits:

- Bureau of Indian Affairs Audit Report (All funds accounted for)
- Bureau of Reclamation Audit Report (no missing tax payer money –pay back \$5,400.00)
- Summary: Guaranteed Loan to Lower Brule Ignored Risk Factors Report
- IRS Audit Report (55,000 items were looked and reviewed)
- Department of Justice (waiting for this Audit)

Attached to the June Minutes you will find three (3) reports which were read for the record in the Tribal Council Meeting.

3. Native Hope Presentation

Kansas Middletent, Kyal Middletent, Julie Muldon, Trisha Burke, Aaron Stryzewski, Danielle Running Horse, Erica Donner came before the tribal Council about their organization and what they have to offer as a program.

4. Approve to Support the Establishment of Commission on Oceti Sakowin Accreditation (COSA)

Motion was made by Orville Langdeau to support the establishment of the Commission on Oceti Sakowin Accreditation (COSA) consisting of the nine (9) Tribes in South Dakota for the schools.

This motion was seconded by John McCauley.

Vote Being: Orville Langdeau Jr. for, Darrell Middletent for, John McCauley for, Donnie Moore for and Clyde Estes for.

Motion carried with vote being five members for, none opposing, none absent and none not voting.

5. School Report from Mr. Lance Witte- Mr. Berle Johnson-Wildmike Pate

- The new Elementary Principal Mr. Wildmike Pate was introduced to the Tribal Council.
- Enrollment
  - 2014-15 - 213
  - 2015-16 - 261
  - 2016-17 -292
- Operational Updates
  - ✓ Curriculum and Instruction (Update elective Course Offerings, Drivers Ed., NWEA Testing)
  - ✓ Technology (BIE,E-rate)
  - ✓ Operations and Maintenance (Summer Maintenance)
  - ✓ Activities (Prom/ Pow Wow May 13/ Athletic Awards May 17/ Graduation May 19/8<sup>th</sup> Grade Promotion May 24)
  - ✓ Athletics (Track & Field/Golf District Realignment)
  - ✓ Summer Programs (Foods June 1/FCA Camps Tuesday-Thursday/Basketball & Football camps)
- Calendar Year

6. Approve Gear Up Project Grant For Lower Brule High School

Motion was made by Orville Langdeau Jr. to approve the Gear Up Project Grant for the Lower Brule High School.

This motion was seconded by Donnie Moore.

Vote being: Orville Langdeau Jr. for, Darrell Middletent for, John McCauley for, Donnie Moore for and Clyde Estes not voting.

Motion carried with vote being four members for, none opposing, none absent and one not voting.

The Lower Brule Sioux Tribal Council recessed at 11:09 am

The Lower Brule Sioux Tribal Council reconvened at 11:25 am.

7. Jerry Krueger, Mark Van Emery and Michael Hilton from the Black Hills National Forest introduced themselves to the Tribal Council and talked about their program. Discussion was held about Management Plans, Land Exchange, Grasslands, National Guard Log Haul Program.

8. Approve Request To Move Forward In Establishing Policies & Procedures for Crisis Hotline  
Motion was made by John McCauley to approve to move forward in establishing policies and procedures for the Crisis Hotline.

This motion was seconded by Donnie Moore.

**Vote Being:** Orville Langdeau Jr. for, Darrell Middletent for, John McCauley for, Donnie Moore for and Clyde Estes for.

Motion carried with vote being five members for, none opposing, none absent and none not voting.

9. Approve Equine Therapy Program Grant

Motion was made by John McCauley to approve the Equine Therapy Program Grant.

This motion was seconded by Donnie Moore.

**Vote Being:** Orville Langdeau Jr. for, Darrell Middletent for, John McCauley for, Donnie Moore for and Clyde Estes for.

Motion carried with vote being five members for, none opposing, none absent and none not voting.

10. Approve May 2017 Minutes

Motion was made by Darrell Middletent to approve the Tribal Council Minutes for the month of May, 2017.

This motion was seconded by Donnie Moore.

**Vote being:** Darrell Middletent for, Orville Langdeau Jr. for, John McCauley for, Donnie Moore for and Clyde Estes for.

Motion carried with vote being five members for, none opposing, none absent and none not voting.

The Lower Brule Sioux Tribal Council recessed at 11:55 am.

The Lower Brule Sioux Tribal Council reconvened at 1:05 pm.

11. Approve Hire Brosz Engineering Construction Management/Engineering Firm for the Medicine Creek Construction Project

Motion was made by John McCauley to approve to hire Brosz Engineering Construction Management/Engineering Firm for the Medicine Creek Construction Project.

This motion was seconded by Darrell Middletent.

**Vote Being:** Orville Langdeau Jr. for, Darrell Middletent for, John McCauley for, Donnie Moore for and Clyde Estes for.

Motion carried with vote being five members for, none opposing, none absent and none not voting.

12. Approve Transit Program Be Named The “Redtail Express Transit”

Motion was made by Darrell Middletent to name the Transit Program the “Redtail Express Transit”.

This motion was seconded by Orville Langdeau Jr.

**Vote Being:** Orville Langdeau Jr. for, Darrell Middletent for, John McCauley for, Donnie Moore for, and Clyde Estes for.

Motion carried with vote being five members for, none opposing, none absent and none not voting.

13. Approve To Name The Lower Brule Sioux Tribal Administration Building The “Michael B. Jandreau –Tatanka Wiyaka (Buffalo Feather) Memorial Building

Motion was made by Orville Langdeau Jr. to name the Lower Brule Sioux Tribal Administration Building the “Michael B. Jandreau –Tatanka Wiyaka (Buffalo Feather) Memorial Building.

This motion was seconded by Donnie Moore.

**Vote Being:** Orville Langdeau Jr. for, Darrell Middletent for, John McCauley for, Donnie Moore for and Clyde Estes for.

Motion carried with vote being five members for, none opposing, none absent and none not voting.

14. Approve To Name the Lower Brule Sioux Tribe Pow Wow Grounds –The TaSunke Wankai-Scott Jones Memorial Pow Wow Grounds

Motion was made by John McCauley to name the Lower Brule Sioux Tribe Pow Wow Grounds –The TaSunke Wankai-Scott Jones Memorial Pow Wow Grounds.

This motion was seconded by Darrell Middletent.

**Vote Being:** Orville Langdeau Jr. for, Darrell Middletent for, John McCauley for, Donnie Moore for and Clyde Estes for.

Motion carried with vote being five members for, none opposing, none absent and none not voting.

15. Approve Proclamation Name The Month Of June – Men’s Health Month

Motion was made by Orville Langdeau Jr. to proclaim the month of June as the Men’s Health Month.

This motion was seconded by John McCauley.

**Vote Being:** Orville Langdeau Jr. for, Darrell Middletent for, John McCauley for, Donnie Moore for and Clyde Estes for.

Motion carried with vote being five members for, none opposing, none absent and none not voting.

16. Approve 2017 Rodeo Concession Stand Request-Sandra Abdo

Two requests were received for the 2017 rodeo concession stand, Sandra Abdo and Jan Brouse. Chris Skunk was chosen from the public to toss a coin for the request.

Jan Brouse will be heads.

Sandra Abdo will be tails.

Coin tossed, it was tails. The rodeo concession stand goes to Sandra Abdo.

17. Discussion was held on the annual fair finances. Rodeo concession stand will be charged a fee from now on. Report Forms will have to be filled out by everyone who receives funds from the Tribe for the fair ( Softball, rodeo, horse racing, pow wow etc). This is required for the Tribes financial audits.

18. Enrollment Update

Enrollment Chair Marlys Landgeau updated the Tribal Council on the Enrollment Office. The Enrollment Committee is creating new policies and procedures. Enrollments will be ready for the July Tribal Council meeting. The new policies and procedures will be ready for Tribal Council review and approval. Enrollment Committee will consist of five members with a Tribal Council member as a non-voting member.

19. Wildlife –Buffalo Herd Donation Concept

Tribal Concurrence, Chairman Gourneau and Wildlife Director will handle this issue.

20. Approve LBST Cultural Resources Program Request for the Donation of Two Buffalo and Two Beef for the 2017 Annual Fair & Pow Wow

Motion was made by John McCauley to approve the request from the LBST Cultural Resources Program request for the donation of two buffalo and two beef for the 2017 Annual Fair & Pow Wow.

This motion was seconded by Orville Langdeau Jr.

**Vote Being:** Orville Langdeau Jr. for, Darrell Middletent for, John McCauley for, Donnie Moore for and Clyde Estes for.

Motion carried with vote being five members for, none opposing, none absent and none not voting.

21. Informational Ben Janis Rodeo Director-this year's rodeo will be an all Indian Rodeo

22. Wildlife Program –Shaun Grassel

Carbon Credits

Request was made to phase out lead ammunition. Shotgun has already been done.

Request rifle be phased out. **No motion was made on this request.**

Request no lead used for prairie dog hunting. **No motion was made on this request.**

23. Approve Selection Donovan Grassrope – Conservation Officer

Motion was made by Orville Langdeau Jr. to approve the recommendation received from Ben Janis Wildlife Director to hire Donovan Grassrope as the Conservation Officer.

This motion was seconded by Donnie Moore.

**Vote Being:** Orville Langdeau Jr. for, Darrell Middletent for, John McCauley for, Donnie Moore for and Clyde Estes for.

Motion carried with vote being five members for, none opposing, none absent and none not voting.

24. Approve Selection Lower Brule Transit Director/Operations Manager-Tim Azure

Motion was made by Orville Langdeau Jr. to approve the recommendation received from Tribal Manager Lee Brannan to select Tim Azure as the Lower Brule Transit Director/Operations Manager.

This motion was seconded by John McCauley.

**Vote Being:** Orville Langdeau Jr. for, Darrell Middletent for, John McCauley for, Donnie Moore for and Clyde Estes for.

Motion carried with vote being five members for, none opposing, none absent and none not voting.

25. BIA

BIA Superintendant Mr. James Two Bulls is attending a conference in Rapid City. Reality staff is attending a training in New Mexico.

26. Council Member Clyde Estes submitted Homeless data to Tribal Council.

27. Burn Ban -Firefighters bring request to the Council.



There being no further business the Tribal Council Meeting recessed at 2:24 P.M.

CERTIFICATION

The Foregoing is a true and correct transcript of the actions and decisions of the Lower Brule Sioux Tribal Council assembled in Regular Session, with quorum present on the 7<sup>th</sup> day of June 2017.

Mary Jane Gourneau

Mary Jane Gourneau, Recording Secretary  
Lower Brule Sioux Tribe

for record

# Summary: Guaranteed Loan to Lower Brule Ignored Risk Factors

Create Date:  
Thursday, April 27, 2017  
Report Date:  
Tuesday, March 28, 2017

We investigated a complaint from members of the Lower Brule Sioux Tribe (Tribe), who questioned a loan guarantee issued by the Office of Indian Energy and Economic Development (IEED), a component of Indian Affairs at the Department of the Interior. The Tribe received a 90-percent guarantee from IEED's Division of Capital Investment (DCI) on a loan of more than \$22 million to purchase a New York City-based financial services company.

We found that DCI ignored multiple negative indicators that suggested the loan might be too risky for DCI to approve. First, the tribal subsidiary involved in the transaction was a new lender without extensive experience. Second, the borrower included intangible assets as part of its portfolio, which are considered less reliable than tangible assets. Finally, the company's business plan relied on an expectation of a favorable tax ruling from the Internal Revenue Service, which it did not receive.

The Tribe ultimately sold the guaranteed loan on the secondary market, using most of the funds to reduce shareholder debt. Soon after the sale, the Tribe defaulted on the loan. The purchaser of the loan filed a claim for loss to DCI, which is currently in litigation.

We found no criminal violation, but we did find that DCI exposed itself to significant financial risk because it failed to adhere to its own guidelines and heed negative indicators. While we did not find the Tribe suffered a significant financial loss from the transaction, the absence of transparency exacerbated long-standing distrust between tribal members and the tribal council.

PDF

*for record.*

## Bureau of Reclamation Report

June 8, 2015 the Department of Interior Office of Inspector General started an audit of the Lower Brule Sioux Tribe due to a misleading report by the Human Rights Watch and a Letter written by Vice Chairman Wright requesting funds be frozen.

In December 2016 the OIG report identified \$1,440,748.00 in questioned costs relating to operations, maintenance and administration of the Lower Brule Rural Water System.

Between January 2017 and May 2017 the Lower Brule Sioux Tribe supplied supporting documentation to the BOR to address the questioned costs.

On May 15, 2017 the Bureau of Reclamation issued their final report regarding the Department of Interior Office of Inspector General Report No. 2015-ER-0069, Audit of Cooperative Agreement No. R95AV60020 between the Bureau of Reclamation and the Lower Brule Sioux Tribe that cleared \$1,386,558 in questioned costs leaving a balance of \$54,190 in disallowed costs. All funds were accounted for. There was NO missing Taxpayer money.

## Bureau of Indian Affairs Report

June 8, 2015 the Department of Interior Office of Inspector General started an audit of the Lower Brule Sioux Tribe due to a misleading report by the Human Rights Watch and a Letter written by Vice Chairman Wright requesting funds be frozen.

In December 2016 the OIG report identified \$385,127 in questioned costs.

Between January 2017 and May 2017 the Tribe supplied supporting documentation to the BIA.

On June 1, 2017 the Bureau of Indian Affairs issued their final report regarding the Department of Interior Office of Inspector General Report No. 2015-ER-0069-A, Audit of contract Nos. A13AV00621 and A12AV00769/A15AV00265 Between the Bureau of Indian Affairs and the Lower Brule Sioux Tribe that cleared \$362,332.81 in questioned costs leaving a balance of \$22,794.19 in disallowed costs. All funds were accounted for. There was NO missing taxpayer money.