

Lower Brule leader asks feds to freeze funds to tribe | News | capjournal.com [http://www.capjournal.com/news/lower-brule-leader-asks-feds-to-freeze-funds-to-tribe/article\\_9ccca056-eabf-11e4-a9a2-9f2c67f68efd.html](http://www.capjournal.com/news/lower-brule-leader-asks-feds-to-freeze-funds-to-tribe/article_9ccca056-eabf-11e4-a9a2-9f2c67f68efd.html)

## Lower Brule leader asks feds to freeze funds to tribe

By Associated Press Apr 24, 2015

SIOUX FALLS —The acting chairman of the Lower Brule Sioux Tribe has asked the Department of the Interior to suspend transfers of federal funds to the tribe and investigate previous allegations of misdirected federal money.

Kevin Wright said Friday he sent a letter this week making the requests to Kevin Washburn, assistant secretary of Indian Affairs at the Interior Department. Wright said he has been stonewalled trying to access the tribe's finances, which have been subject to allegations of mismanagement.

"Freeze them, and then look into it," Wright told The Associated Press. "We want to know what's going on."

A Department of Interior spokeswoman didn't return requests for comment.

The death three weeks ago of longtime Chairman Michael Jandreau intensified a political battle among members of the tribe loyal to the decades-long administration and a new guard of tribal councilmembers calling for more transparency, including Wright. He cited the tribe's constitution and bylaws when he took over leadership of the government shortly before Jandreau died of heart trouble.

Wright and Jandreau had previously sparred about administrative transparency, and Wright was one of the council members who criticized Jandreau over allegations of financial mismanagement that were outlined by Human Rights Watch in January.

The organization detailed numerous claims against Jandreau and others, accusing them of diverting money and concealing financial activity by withholding government documents from the public.

Jandreau and Marshall Matz, who has been an attorney for the tribe, have vigorously pushed

back against those allegations.

"I totally deny any wrongdoing, you know," Jandreau told The Associated Press before his death. "What was done was always advised or done with a tremendous amount of oversight by people of the legal field."

Wright and two allies sit on the tribal council across from two Jandreau loyalists. Wright's declaration at a council meeting earlier this month that he would preside as chairman boiled into a crowd-wide shouting match, and it's unclear how the division will be bridged to form a collaborative government.

"It's frustrating," Wright said. "We're backed into a corner, and I understand that they are too, but it's simply because they've been in power all this time and now the shoe's on the other foot."

Councilman Orville Langdeau, who is also the tribe's secretary and treasurer, and Councilman John McCauley, both Jandreau supporters, didn't immediately return requests for comment.

In the letter to Washburn, Wright describes a "serious situation developing" on the reservation and invites federal officials to investigate the allegations in the Human Rights Watch report, including the tribe's purchase of a New York-based brokerage firm called Westrock Advisors Inc. that ultimately went bankrupt.

Human Rights Watch said the "most blatant example" of wrongdoing stems from the tribe's purchase of Westrock.

The report accuses tribal leaders and their business partners of setting up several shell companies and then securing a \$22.5 million federal loan guarantee from the Bureau of Indian Affairs. Rather than putting the money toward its stated purpose of economic development, the funds were used to buy Westrock, which went bankrupt two years later, the report said. The guarantee was ultimately sold for about \$20 million to another company, though the tribe hasn't disclosed the status of the loan, the report found.

The Department of the Interior's Office of Inspector General said Friday that in February 2013 it started investigating circumstances surrounding the Westrock purchase, and the probe is still open. The office is also mulling whether to investigate allegations from the Human Rights Watch report.