



Little River Band of Ottawa Indians

375 River Street
Manistee, MI 49660
(231) 723-8288

Resolution # 05-0817-397

Identification of Conditions that Support the Findings of the Tribal Council of Breach of Contract for Failure by Duane Hopkins, Blue Buffalo Consulting, Inc., to Identify appropriate Internal Controls and Adequately Train and Supervise Accounting Personnel

WHEREAS, the status of the *Gaá Čhíng Ziibi Daáwaa Aníshinaábek* (Little River Band of Ottawa Indians) as a sovereign and Treaty-making power is confirmed in numerous treaties, from agreements with the initial colonial powers on this land, to various treaties with the United States; and

WHEREAS, the Little River Band of Ottawa Indians (Tribe) is descended from, and is the political successor to, the Grand River Ottawa Bands, signatories of the 1836 Treaty of Washington (7 Stat. 491) with the United States, as reaffirmed by federal law in P.L. 103-324, enacted in 1994; and

WHEREAS, the Tribe adopted a new Constitution, pursuant to a vote of the membership on May 27, 1998, which Constitution became effective upon its approval by the Assistant Secretary-Indian Affairs on July 10, 1998; and

WHEREAS, the Tribe adopted amendments to the Constitution on April 26, 2004, which became effective upon approval by the Assistant Secretary-Indian Affairs on May 13, 2004; and

WHEREAS, the Tribal Council is authorized under Article IV, Section 7(a) to provide for the public health, peace, morals, education and general welfare of the Little River Band and its members; and

WHEREAS, the Tribal Council is vested with the authority, under Article IV, Section 7(b), to authorize and ratify contracts; and

WHEREAS, the Tribal Council is vested with the authority, under Article IV, Section 7(i)(2), to manage the funds of the Tribe; and

WHEREAS, the Tribe has entered into a contract with Duane Hopkins, Blue Buffalo Consulting, Inc., to manage the accounting department, develop processes and procedures, and train accounting employees as a result of recent suspected fraud and embezzlement of Tribal funds by the prior Chief Financial Officer; and

WHEREAS, the Tribe engaged the consultant to return integrity and accountability to the accounting department by developing internal controls and a sense of professionalism and responsibility; and

WHEREAS, the Tribal Council finds that the current state of Little River Band of Ottawa Indians internal controls do not provide adequate guidance in regards to the proper documentation needed to expend the funds of the Tribe; and

WHEREAS, the Tribal Council finds that allowing the development of a philosophy in the accounting department which disavows responsibility to determine whether sufficient documentation exists and to require sufficient documentation prior to printing checks in light of the recent history does not meet the level of responsibility for which the consultant was engaged; and

WHEREAS, the Tribal Council finds that processes continue to allow checks to be printed when a program line has been fully, or over, expended, without requiring corrective action prior to authorizing subsequent expenditures is inappropriate and does not meet the goals for which the consultant was engaged;

WHEREAS, the Ogema, under Article V, Section (5), has the responsibility and obligation to oversee administration and management of the Tribal government and execute agreements and contracts with consultants and vendors; and

WHEREAS, the Ogema has a fiduciary responsibility to manage these contracts to assure that the deliverables are being submitted in a timely manner and meet the requirements and qualifications identified in the contract; and

WHEREAS, the Ogema's constitutional and fiduciary responsibility includes invoking the termination clauses contained within contracts, and in this contract with Blue Buffalo Consulting, Inc., on behalf of the Little River Band when presented with documentation and findings that the contract responsibilities and deliverables are not being fulfilled;

NOW THEREFORE IT IS RESOLVED THAT the Tribal Council of the Little River Band of Ottawa Indians hereby requests a detailed explanation from the Ogema regarding the consultant's failure to meet the goals and objectives identified within the contract to create a strong accounting system with appropriate written procedures and controls, and accounting personnel that can manage the daily accounting tasks, financial reporting and audit reporting responsibilities to be submitted to the Tribal Council during the Council meeting of August 24th.

CERTIFICATE OF ADOPTION

I do hereby certify that the foregoing resolution was duly presented and adopted by the Tribal Council with 8 FOR, 0 AGAINST, 0 ABSTAINING, 0 ABSENT, and 1 VACANT, at a Regular Closed Session of the Little River Band of Ottawa Indians Tribal Council held on August 17, 2005, at the Little River Band's Conference Room in Manistee, Michigan, with a quorum being present for such vote.



Janine M. Sam, Council Recorder



Stephen Parsons, Council Speaker

Attest:

Distribution: Council Records
Tribal Ogema
Tribal Court