

GAO Highlights

Highlights of [GAO-23-105356](#), a report to congressional committees

Why GAO Did This Study

The federal government holds more than \$8 billion in trust funds for Tribes and Individual Indian Money account holders. Interior faced challenges with managing these trust funds, and the 1994 Reform Act established OST to oversee trust reform efforts. OST subsequently assumed responsibility for managing the trust funds.

The joint explanatory statement accompanying the Consolidated Appropriations Act, 2021, contains a provision for GAO to examine OST. GAO was also asked to examine Interior's transfer of OST's trust functions to BTFA. This report examines the status of OST's termination, Interior's use of selected leading practices for agency reforms during the transfer, and collaboration between BTFA and BIA's Office of Trust Services.

GAO reviewed and analyzed relevant laws and agency data, compared agency actions against leading practices, and interviewed agency and selected tribal officials.

What GAO Recommends

Congress should consider amending the statutory termination process for OST in section 302(c) of the 1994 Reform Act. GAO is also making four recommendations to Interior, including that it develop a strategic workforce plan for the staff responsible for carrying out trust functions and update agency collaboration guidance for trust operations and services. Interior generally agreed with GAO's recommendations.

View [GAO-23-105356](#). For more information, contact Anna Maria Ortiz at (202) 512-3841 or OrtizA@gao.gov.

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TRIBAL PROGRAMS

Actions Needed to Improve Interior's Management of Trust Services

What GAO Found

In 2020, the Department of the Interior created the Bureau of Trust Funds Administration (BTFA) within Indian Affairs to take over financial management of trust funds and functions from the Office of the Special Trustee for American Indians (OST). Interior transferred OST employees to BTFA and is using OST's appropriations for BTFA. However, to date, congressional appropriations committees continue to make appropriations for OST rather than for BTFA.

OST was established by the American Indian Trust Fund Management Reform Act of 1994 (1994 Reform Act) to oversee and coordinate reform efforts related to Interior's trust responsibilities. Congress needs certain information from Interior to decide whether to continue OST or to approve another office, such as BTFA, to manage the trust funds. However, Interior's interpretation of the act is that providing some of this information risks triggering the act's statutory termination process for OST. Interior officials said terminating OST could leave Interior without a congressionally approved office or available appropriation to manage the trust funds, risking a breach of the federal government's duty to beneficiaries. For the purposes of this report, GAO is not taking a position on Interior's position. Unless Congress amends the statutory termination process in section 302(c), it may not receive the information it needs to make decisions regarding OST and future management of the trust funds.

Interior's transfer of trust functions from OST to BTFA generally followed some, but not all, selected leading practices for agency reforms. For example, Interior established a team responsible for implementing the transfer but did not develop a strategic workforce plan. Developing a strategic workforce plan would help Interior, going forward, to better understand the resources it needs to manage trust funds, especially as demand for beneficiary services continues to increase.

GAO's Assessment of Interior's Transfer of Trust Functions from Its Office of the Special Trustee for American Indians to the Bureau of Trust Funds Administration

Leading practice for agency reform category	Extent followed
Goals and Outcomes	Partially followed
Process for Developing Reforms	Partially followed
Implementing the Reforms	Generally followed
Strategically Managing the Federal Workforce	Did not follow

Source: GAO analysis of U.S. Department of the Interior actions. | GAO-23-105356

BTFA and the Bureau of Indian Affairs' (BIA) Office of Trust Services—which manages trust lands and other physical assets—use various collaborative mechanisms to manage overlaps in trust-related operations and services. Because Interior has not updated its collaboration guidance since 2002, the guidance does not reflect the bureaus' current roles and responsibilities or activities. Confusion about each bureau's roles and responsibilities can increase employees' workload and cause delays in providing services to beneficiaries, according to selected tribal and agency officials. Updating Interior's collaboration guidance to clarify current roles and responsibilities would enable BTFA and BIA to better collaborate to serve beneficiaries.