



The Navajo Nation Council — Office of the Speaker

Contact: Joshua Lavar Butler, Communications Director

Phone: (928) 871-6384

Cell: (928) 255-2946

Fax: (928) 871-7255

joshualavarbutler@navajo.org

joshualavarbutler@yahoo.com

www.navajonationcouncil.org

October 19, 2009

FOR IMMEDIATE RELEASE

Navajo Council discuss legal violations of the Office of the President arising from OnSat and BCDS

Reports reveal serious impropriety and serious violations that may have occurred within the Office of the President and Vice President

WINDOW ROCK, Ariz. – For more than five hours, the 21st Navajo Nation Council discussed details of three investigations presented to them in executive session during opening day of the Council's 2009 Fall Session.

Reports were made on three investigations regarding legal violations of Navajo Nation officials and employees arising from the Nation's contractual history with OnSat and BCDS. All three reports involved Navajo President Joe Shirley Jr. and key members of his staff.

Almost immediately after Council concluded their executive session, Council delegates began receiving anonymous text messages which spread rumors that Council was suspending the Navajo Nation President, the Vice President and members of his staff because of his campaign to reduce the Navajo Nation Council.

The rumors are just that—rumors. The Council's receipt of reports today has nothing to do with the two initiatives being pushed by the Navajo Nation President and his office. The reports had been requested much earlier by the Council based on claims of alleged wrongdoing which date back to 2001.

The first two reports involve OnSat Network Communications, a Utah-based company, which was the Navajo Nation's satellite and wireless internet provider. The company had allegedly overbilled for its services and the Nation paid for services that were not even provided. News regarding this financial mess raised concerns within the Navajo Nation of wasteful spending by the tribe and resulted in investigations by both the Navajo Nation and federal authorities.

In 2001, the Navajo Division of Community Development, under the management of Navajo President Joe Shirley Jr., entered into a \$1.9 million contract with the Utah-based company to provide internet services via satellite dishes to the Nation's 110 Chapters across the Navajo Nation. The service was disrupted after OnSat stopped receiving payments from the tribe. During the course of the contract with the Office of the President, the contract was modified more than 10 times to serve Navajo Head Start, the Division of Public Safety and to the Office of the President and Vice President—which was found to be a violation of standard practice. The allegations also involved claims of wrongdoing in the federal E-Rate program

The third report involved loans, including a \$2.2 million loan collateralized by the Navajo Dam Escrow Account to Biochemical Decontamination Systems (BCDS), a company based in Shiprock, N.M. In 2006, President Shirley signed a pledge agreement with JP Morgan Chase Bank authorizing the collateralization of the loan.

The first two reports were made by Jim Dunston, Garvey, Shubert and Barer, a Washington D.C. law firm regarding OnSat E-Rate, and Judith M. Dworkin and Daniel B. Mestaz of the Sacks Tierney P.A. regarding OnSat, and the third report was presented by Patricia G. Williams from the Wiggins, Williams & Wiggins Law Firm regarding the BCDS special investigation.

The Council accepted the reports by a vote of 46-0 with some directives.

Council Delegate Larry Anderson made a directive to have these particular issues referred to the Ethics and Rules Committee for review and further investigation. Council Delegate Raymond Joe made a directive to request that the Office of the Legislative Counsel begin drafting legislation to put all those involved in the OnSat and BCDS fiascos on investigatory leave.

The reports reveal serious impropriety and serious violations within the Executive Branch of the Navajo Nation.

Legislation to have investigators look into these allegations is being drafted this evening and will be presented to the Council tomorrow on day two of the Fall Session. Council will then act on these directives either in this current session or in a special session soon—a date has not been determined yet.

Further details of the three investigative reports are not yet available for public dissemination.

###