



Navajo Nation Council – Office of the Speaker

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NEWS RELEASE:

Budget & Finance and Resources & Development Committees hold joint meeting to discuss Chapter House sanctions

WINDOW ROCK, Ariz. – The Budget and Finance Committee and the Resources and Development Committee held a joint meeting on November 30 to discuss the ever more pressing issues revolving around the sanctioning of Chapter Houses.

Council Delegate LoRenzo Bates (Nenahnezad, Newcomb, San Juan, Tiis Tsoh Sikaad, Tse' Daa' Kaan, Upper Fruitland), Chairman of Budget and Finance Committee, provided the opening remarks, "Today's work session is a result of the Budget and Finance Committee's concerns about the number of Chapters that are sanctioned, possibly are going to be sanctioned, and some that have been sanctioned for a number of years.

"The concern is that when this does happen, it impacts the Chapters by virtue of the fact that funds are withheld from chapters."

Council Delegate Katherine Benally (Chilchinbeto, Dennehotso, Kayenta), Chairwoman of the Resources and Development Committee added that, "she was glad that the Committees came together and that the joint efforts will be good for all the parties involved."

Council Delegate Bates added, "The intent again is to have the two committees come up with a solution that is the result of what you hear from the presenters."

The committee chairs invited a number of key individuals to attend the joint meeting.

Elizabeth Begay, Auditor General of the Office of the Auditor General, provided an overview of the status of Chapter House Audits, Chapter House compliance with Audit Corrective Actions Plans, and Audit Sanctions.

According to numbers provided by Begay, an audit of thirteen (13) chapters showed there \$91,639.00 in revenue either missing or undeposited. The undeposited revenues were "internally generated revenue [that] was not deposited and presumed missing."

The Office of the Auditor General also found that Chapters' "internal controls are deficient" and Chapters do not "consistently comply with procurement rules and regulations."

Begay stressed the point that it would be in the best interest of all parties involved to implement preventative measures and also cited that research shows that preventative measures are more cost effective than dealing with incidents after funds are mismanaged.

Mariana Kahn, Attorney with the Office of the Legislative Counsel, provided a presentation on the Committees' Title II authorities as it relates to addressing the Chapters' misuse of funds.

The Budget and Finance Committee's authorities to deal with the matter, according to Kahn, are provided under Title 2 § 300 (c), "The Committee shall exercise oversight authority including but not limited to budget, finance, investment, bonds, contracting, insurance, audits, accounting, taxes, loans, Chapter budget and finance..."

Subparts 1, 3, 4, and 6 under Title 2 § 300 (c) are also applicable to Budget and Finance Committee's authorities to address the problems of sanctions on Chapters.

The Resources and Development Committee's authorities to deal with the matter, again according to Kahn, are provided under Title 2 § 500 (c), "The Committee shall exercise oversight authority over...chapter activities..."

Reports were also provided by Arbin Mitchell (Director of Division of Community Development), Mark Grant (Controller of the Office of the Controller), Lawrence John (Executive Director of the Office of Ethics and Rules), and Ella Wilson (Supervisor of the White Collar Crime Unit with the Department of Justice).

At the conclusion of the report, Council Delegates in attendance were given the opportunity to provide comments and to ask questions.

Council Delegate Jonathan Nez (Shonto, Navajo Mountain, Oljato, Ts'ah Bii Kiin) stated, "We know what needs to be fixed. The governmental structure needs to be reviewed and I always bring up this discussion to the entire Council. We need to take a step back and review the overall structure of our government."

"The issue that we are discussing, I would like to see a short-term and long-term solution in order to mitigate the problems that we are facing right now," commented Council Delegate Leonard Pete (Chinle).

"Obviously, there is something wrong and there has to be a way to go into preventive mode so Chapters will be better able to manage their resources" stated Council Delegate Bates.

Council Delegate Benally provided the closing remarks, "We sought your advice in how to deal with this issue that faces us as a Nation. How do we address this problem together? It is not just the Chapters' problem, or LGSC, or Community Development, or the Auditor General. This is not meant to be punitive. It is meant to give guidance to the Chapters. There are guidelines in place but more is desired, which is purpose of this meeting."

The next meeting is tentatively scheduled for early 2012 and more details will be available in the near future.

The following Budget and Finance Committee members were present at the joint session: LoRenzo Bates, Mel R. Begay, Nelson S. BeGaye, Lorenzo Curley, Jonathan Nez, and Danny Simpson.

The following Resources and Development Committee members were present at the joint session: George Apachito, Katherine Benally, Leonard Pete, and Leonard Tsosie.

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