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DEPARTMENT of the INTERIOR

news release

BUREAU OF INDIAN AFFAIRS
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Carl Shaw (202) 343-4576

BIA TO REOPEN COMPETITION FOR TRUST FUND MANAGEMENT SERVICES

The Bureau of Indian Affairs (BIA) announced today that it would reopen competition by conducting a new full-scale procurement for financial trust services to strengthen internal management and administration of more than \$1.7 billion of Indian trust funds.

"This will give Indian tribes a chance for greater input on this important decision," said Ross Swimmer, Interior's Assistant Secretary for Indian Affairs. "Many tribes have indicated a strong interest, and have requested additional consultation. By consulting the tribes in conjunction with a full competition, we hope to increase understanding and secure the best possible contract."

Swimmer said that he is drafting a letter to the chairman of all Indian tribes to discuss the anticipated procurement and how their concerns will be covered.

"BIA will prepare a new request for proposals (RFP) ensuring full and open competition among financial institutions at large through the regular procurement process," he said. "We will develop a new proposal to meet the needs of the BIA which will include the same components that were in our original proposal -- collection, accounting and investment services," he said. "In addition, we will develop a comprehensive consultation plan for publication in the Federal Register that informs and seeks input from tribes and individuals with monies invested in the trust fund."

BIA announced last October that BIA and the U.S. Treasury Department had selected Mellon Bank of Pittsburgh from among six competing banks already providing "lock box" services to Treasury to handle the Indian trust fund account. A three-party agreement had been anticipated among BIA, Treasury and Mellon. At the time, it was believed that the accounting and investment services would simply be enhancements to the already existing "lock box" arrangements between Treasury and the banks. Recently, however, Treasury officials became concerned about certain technical aspects of the competition, including the limitation of competition to Treasury's six primary depositories.

"Although we will not be able to proceed with the proposed contract, we

