



National
Congress of
American
Indians

Protect Native Money

www.ncai.org/ProtectNativeMoney



“PROTECT NATIVE MONEY”

INFORMATION FOR TRIBAL LEADERS AND STAFF ON THE *COBELL* SETTLEMENT

Tuesday, November 27, 2012

Hosted by the National Congress of American Indians
With participation by the Federal Trade Commission



WEBINAR AGENDA

- Welcome and Review of Agenda
- Introductions of Speakers
- Purpose of Webinar
- Overview of *Cobell* Settlement
- Information on Consumer Protection for Class Members
- Consumer Protection Tips
- Questions and Discussion



SPEAKERS

- John Dossett, General Counsel, NCAI
- Sherry Salway Black, Director, Partnership for Tribal Governance, NCAI
- Katherine Campbell, Attorney, Bureau of Consumer Protection, Federal Trade Commission
- Thom Wallace, Communications Director, NCAI



PURPOSE

- Protect Native Money Campaign
- Provide information and resources to tribal governments and Native people on consumer protection and financial education
- Three large groups of claims
 - *Keepseagle* Settlement to Native farmers and ranchers -- \$780 million
 - *Cobell* Settlement to nearly 500,000 Native class members -- \$1.5 billion
 - More than 50 tribal trust settlements -- \$ 1.032 billion
- By mid-2013, more than \$3.0 billion will come into Indian Country



OVERVIEW OF *COBELL* SETTLEMENT

- \$3.4 billion *Cobell v. Salazar* settlement is final and will soon go into implementation
- \$1.5 billion to pay nearly 500,000 individual Indian trust beneficiaries
- Stage I – Trust Accounting -- \$1000 per beneficiary
 - Obama Administration committed to payments by end of 2012
 - Administrative steps – Attorney General to certify, Treasury to transfer funds
 - Possibly by mid-December payments will go out



OVERVIEW OF *COBELL* SETTLEMENT

- Stage 2 – Trust Resource Mismanagement – payments vary
 - Base amount – likely \$800 plus formula based on the average of the individual's ten highest IIM account balances between 1985 and 2009
 - Could range from the base amount to more than \$100,000
 - Possibly to be distributed within six months
- States with the highest number of *Cobell* settlement funds
 - Montana, North and South Dakota, Idaho, Washington, California, Arizona, Oklahoma, Nebraska, and Minnesota



OVERVIEW OF *COBELL* SETTLEMENT

- \$1.9 billion for addressing fractionation of individual Indian land
 - Currently over 2.9 million fractionated interests owned by approximately 260,000 individuals
 - DOI will use \$1.9 billion from the Trust Land Consolidation Fund to acquire interests
 - Individual owners will be paid fair market value for such interests
 - Interests will remain in trust for beneficial use by tribal communities
 - February 2012 draft land consolidation plan expected in final by end of year



OVERVIEW OF *COBELL* SETTLEMENT

- Up to \$60 million for Indian higher education
 - Funds are derived from land consolidation transactions
 - Incentive for fractionated landowners
- Secretarial Commission on Indian Trust
 - Functioning
 - Intended to make recommendations on the future of trust reform
 - Intended to oversee a performance audit of trust systems and controls



OVERVIEW OF *COBELL* SETTLEMENT

- Tax implications – S. 3754
 - SEC. 3. THE INDIVIDUAL INDIAN MONEY ACCOUNT LITIGATION SETTLEMENT ACT OF 2010
 - (f) Taxation and Other Benefits-Main Points
 - amounts received by an individual Indian as a lump sum or a periodic payment pursuant to the Settlement—
 - » shall not be included in gross income; and
 - » shall not be taken into consideration for purposes of applying any provision of the Internal Revenue Code that takes into account excludable income in computing adjusted gross income or modified adjusted gross income, including section 86 of that Code (relating to Social Security and tier I railroad retirement benefits).



OVERVIEW OF *COBELL* SETTLEMENT

- Tax implications – S. 3754
 - SEC. 3. THE INDIVIDUAL INDIAN MONEY ACCOUNT LITIGATION SETTLEMENT ACT OF 2010
 - (2) OTHER BENEFITS- Notwithstanding any other provision of law, for purposes of determining initial eligibility, ongoing eligibility, or level of benefits under any Federal or federally assisted program, amounts received by an individual Indian as a lump sum or a periodic payment pursuant to the Settlement shall not be treated for any household member, during the 1-year period beginning on the date of receipt--
 - (A) as income for the month during which the amounts were received; or
 - (B) as a resource.



PROTECT NATIVE MONEY

COBELL SETTLEMENT

- Resources for tribes and Native individuals
 - Tribal Toolkit
 - Letter to tribal leaders
 - Alert for tribal members
 - News Releases from DOI
 - Public Service Announcements
 - Links to tax and benefit information



PROTECT NATIVE MONEY *COBELL* SETTLEMENT

- Impact on Local Communities
 - Large cash infusion at holidays
 - Financial Institutions having adequate cash
 - Potential for scams
 - Possible public safety issues



AN ALERT FOR PEOPLE GETTING THE COBELL SETTLEMENT

“I heard you got your money...”

- ❖ **New vehicles.** Businesses might try to get you to put a down payment on a car, motorcycle, boat, or mobile home.
- ❖ **Used Vehicles.** Used cars that cost exactly the \$1,000 of your settlement payment will be for sale in and around your communities.
- ❖ **Credit card or loan offers.** When companies know you have money, they might offer you a credit card or loan.
- ❖ **Rent-to-own “deals.”** Getting furniture or an appliance through rent-to-own might seem like you get more for your money.
- ❖ **Advances on your money.** You may have gotten a loan as an advance on your money.



SPOT THE SCAMS

- ❖ **Act now!** Scammers are in a rush to get your money.
- ❖ **Big promises.** Scammers guarantee big money, fast.
- ❖ **No risk.** Scammers promise your money is safe.
- ❖ **Keep it secret.** Scammers might say they have information no one else has.



PROTECT YOUR MONEY

- ❖ **Make a plan.** Planning helps you think about options.
- ❖ **Take your time.** If someone asks you to spend your money a certain way, take your time.
- ❖ **Ask questions.** If someone wants your money, get more information.
- ❖ **Talk to someone you trust.** Before you give money to anyone, talk to someone you trust.



10 THINGS YOU CAN DO TO AVOID FRAUD

1. **Keep in mind that wiring money is like sending cash; once it's gone, you can't get it back.**
2. **Don't send money to someone you don't know.**
3. **Don't respond to messages that ask for personal or financial information, whether the message comes as an email, a phone call, a text message, or an ad.**
4. **Don't play a foreign lottery.**
5. **Don't agree to deposit a check from someone you don't know and then wire money back, no matter how convincing the story.**
6. **Read your bills and monthly statements regularly—on paper and online.**
7. **In the wake of a natural disaster or other crisis, give to established charities rather than one that seems to have sprung up overnight.**
8. **Talk to your doctor before buying health products or signing up for medical treatments.**
9. **Remember there is no such thing as a sure thing.**
10. **Know where an offer comes from and who you are dealing with.**



NEED MORE HELP?

❖ Find out more about the Cobell Settlement:

- Go to www.indiantrust.com
- Call the help line: 800-961-6109
- Email: Info@IndianTrust.com

❖ Report any scams or fraud you see:

- Call the Federal Trade Commission: 877-382-4357

❖ Report problems with advance loans or credit cards:

- Call the Consumer Financial Protection Bureau: 855-411-2372



RESOURCES AVAILABLE

- Tribal Leader Toolkit -- www.ncai.org/ProtectNativeMoney
- Tax and Benefit Information --
<http://www.govtrack.us/congress/bills/111/s3754/text>
- DOI Announcement – November 26, 2012
<http://www.doi.gov/news/pressreleases/salazar-announces-final-steps-on-cobell-litigation-and-implementation-of-settlement.cfm>
- Contact Sherry Salway Black if you have additional questions:
sblack@ncai.org or 202-466-7767, ext 212



QUESTIONS AND DISCUSSION

- Other Concerns?
- What other information and tools do you need to help inform tribal members?
- Another webinar?