

Government to settle suit over Indian land trusts

ACCOUNTING MISMANAGED

\$1.4 billion in payments to end 13-year-old battle

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The Obama administration said Tuesday it would pay \$1.4 billion to a group of American Indians who said the government mismanaged a century-old system of Indian land trusts.

The settlement, which would end one of the epic lawsuits of modern Washington, would be divided among more than 300,000 people, the descendants of Indians to whom the government assigned plots of tribal land under an 1887 law. Many of the plots are controlled by hundreds or even thousands of heirs, and a federal system designed to track claims and distribute revenue generated by the parcels has broken down.

The administration said it would spend \$2 billion in addition to the payouts to try to buy back sole ownership of the many plots, one tiny fraction at a time.

The deal, announced by Interior Secretary Ken Salazar and Attorney General Eric H. Holder Jr., would end a lawsuit that has lasted 13 years, coloring the relationship between federal and tribal governments with a bitter reminder of the Indian wars. Officials said they intended the settlement to create trust between Washington and "Indian country."

"We are here today to right a past wrong," Salazar said. Of the plaintiffs the government had battled so long, he said: "They [brought] a national injustice to the attention of our country."

This suit might be best known as the case that took the Interior Department off e-mail: In 2001, U.S. District Judge Royce C. Lamberth determined that the Indian trust accounts were vulnerable to hackers and issued an order that caused the department to sever connections to the Internet.

But its origins go back to the administration of President Grover Cleveland, when Congress passed a law allotting individual tribe members parcels of 40 to 160 acres, to be held in trust by the government for 25 years. In most cases, the land never left government hands.

Today, the Interior Department manages more than 100,000 parcels, totaling more than 56 million acres. When these lands are used for grazing, mining or drilling for oil or natural gas, the revenue is supposed to be split among its owners. But the system quickly devolved into an accounting mess. The number of owners multiplied, since many Indians died without wills and their children inherited equal ownership fractions. The parcels are split 4 million ways.

To make things worse, government records for tracking them were kept in poorly maintained warehouses, where some were destroyed by fires, floods or insects. Owners complained that they were being paid irregularly, improperly or not at all.

In 1996, they filed suit. Since then, officials said, the case has encompassed dozens of hearings, 192 days of trial proceedings and multiple appeals to higher courts. And two different judges: In 2006, an appeals court removed Lamberth from the case after finding that he appeared to be biased against the Interior Department.

The settlement announced Tuesday must be voted on by Congress and approved by the new judge, James Robertson. At a ceremony honoring Robertson on Tuesday, Lamberth praised his handling of the case and said this was "a great day for Americans and for all Native Americans."

Under its terms, officials said, most Indian shareholders would get a check for \$1,000. Some could get more, however, if the judge decides they lost more money because of federal mismanagement. Some of the \$1.4 billion will also be used to pay attorneys' fees.