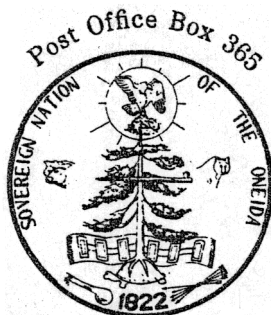




Oneidas bringing several hundred bags of corn to Washington's starving army at Valley Forge, after the colonists had consistently refused to aid them.

Oneida Tribe of Indians of Wisconsin

Phone: 869-2771



Oneida, WI 54155



UGWA DEHOLUN YATENE
Because of the help of this Oneida Chief in cementing a friendship between the six nations and the Colony of Pennsylvania, a new nation, the United States was made possible.

-SPECIAL MEETING-

MAY 24, 1982

Special Meeting was called to order at 1:30 P.M. by the Vice-Chairman in the gym at the Civic Center.

Present were: Norbert Hill, Wendell McLester, Gordon McLester, Joy Ninham, Howard Cannon, Tony Benson, Mark Powless, Frank Cornelius.

Excused: Gary Metoxen

Others: Jack Burkhart of WIPFLI, Dick Shikoski, Barbara Denny, Van Roy Thomas, Barbara Skenandore, John Danforth, Loretta Webster, Anna John

OTDC

John Danforth said it was his understanding that the contract was extended until the end of July and that the transition was to be completed in that time. It is also his understanding that we do not want to extend this contract with them. He asked if that was the decision of the Business Committee? Norbert said yes, this was some time ago.

John asked if we felt that this entire transition could be made within that time. Norbert then called upon Mr. Jack Burkhart from WIPFLI. Mr. Burkhart stated his position with the firm in regard to the accounting procedures and that they have been involved for some time with the Accounting Department and the Oneida Tobacco Enterprise. In so far as the accounting procedures are concerned, he didn't know of any reason why this Tobacco Enterprise cannot be merged with the accounting system with the Tribe without any problems. His overall view is that they were just about to submit a request for a proposal for the entire computer system that will be brought into the Tribe and they will be installed during September and October of next year. What these will do will give some parts of the Accounting Department what we don't have now, which is predominantly the ability to be sufficiently flexible. At the present time, the Tribe does not have any Tribal wide consolidated financial statements that you can see what your total assets are, what your total liabilities are, your total net worth is and that is also true of the operations of the Tribe. That is something that the Tribe should have. That is the major objection of them engaging in the software for the Tribe and the centralization concept. This is what he foresees as what is happening here and to take very logical steps for that particular program.

Loretta questioned John as to his understanding of the contract extension and what should have been happening in this period. John stated he understood that the

transition would be completed by the end of this extension. Loretta stated that was also her feeling and also by central administration. She stated that she had only been working for two months but in that time she has been aware of the Business Committee extending the OTE Management twice already, the second time until the end of July. When we had the last meeting on the extension of the contract and it was approved, it was her understanding that we would proceed with transferring all of the records from OTDC onto our present data processing system and that OTE would continue to monitor and manage a parallel system. The parallel system would continue and accounting would have the data processing system going too, so that if there are any kinks in it these would all be ironed out by the end of July. In terms of the software that we were working on with WIPFLI we had already agreed and sent Barbara Skenandore a memo that she would be involved in the final decisions on which type of software we would need and this would probably be done by the end of August.

We will be going out within the next couple of weeks and we are hoping to get some proposals back and have them reviewed; have some on-site visits and have that done by the end of August.

Loretta feels the phase-in and coming into our data processing system is the first step that has got to be done before anything else. She questioned if there were any types of problems anyone might see on doing that step.

With the extension of this last contract, we had a meeting on this and discussed what the ramifications are and also to discuss some steps in terms of getting the OTDC management procedures phased into our data processing management procedures and that is the first step in order for this transition to occur. We have set a date of June 1, when all the checks and the payroll will be done. The date of the end of May was set as a deadline for all of the processes to be phased into our DATA processing system. Also, the whole purchasing system is not going to be phased in immediately. We are talking about starting around May 8 and then the next meeting was May 12. The date for the accounts payable to be through the data processing system has not been mutually established yet. We had hoped it would have been by the end of May. Loretta asked if they felt that this couldn't be done at this point.

Anna John asked why weren't they included in some of the meetings and maybe things could have been worked out much better and understood instead of waiting until a date had been set for everything to be turned over.

Loretta stated that it could be done today.

Anna felt that to her it looks like it is almost completed and the plans are all made, everything is set up the way we would like it and they should have been seeing them before this. She felt that such a great sum of money that is going to the Tribe from their organization shouldn't have been decided on by just the council or business people.

Loretta explained that the system we are talking about has been in place for a number of years. There is no new system or data processing system. It has been in place. As far as the software, this is a new contract and she (Loretta) had notified Barb that the contract was approved by the Business Committee and she is right on the ground floor in terms of selection itself.

Barbara stated she did not feel she was, in terms of selection of software. She had been informed and given a copy that there was a contract with WIPFLI and Ullrich Company and it was fine with her because she knew that they were a fine and reputable

firm. What bothered her was when Loretta, Mark and Kathy came to her office and made a statement that our system was certifiable and auditable. At that time she felt that was a very incorrect statement to be made and asked to have it repeated a few times. She again said that the system was certifiable and auditable even though it did not include the money part. She did not make any further comment on that even though as an accountant she had never heard of a system being auditable and certifiable without it involving the money part. Last week she called WIPFLI and talked to Russell Wakenon and asked him to clarify the statement on how they could have a certifiable auditable system and not include the money. He said they would not make that kind of statement because any kind of a system would have to include money. He said that what we are saying, because the Tribe has never been certified and audited, we are going out on a limb to say hopefully by the close of this fiscal year, September 30, 1982, the Tribe will be certifiable and auditable which will include the monies, assets, etc. At the present time, we do not have data processing for Tobacco Enterprise. We are working on it and developing it.

She told him at that time she was concerned because a month had gone by and the write up that she had turned into the Business Committee had mentioned many times the users part of it and she would be the user and so would her bookkeeper and they had heard nothing from the experts on this which would be WIPFLI. He said we do not have a fully developed system and at this time they would not get the system fully developed until the end of September.

Mr. Burkhart stated that Russell was his assistant and works totally under him and that he directs all his work. He is a senior member of his staff. A signed report from their Green Bay office had been handed to the Business Committee by one of the partners. Mr. Burkhart disagreed with Barbara.

Jerry Dine, one of the partners knew that Russell and he had been involved two or three times looking at the final procedures, at the internal control procedures, at the data processing procedures, at the competence of the accounting people and they came to this conclusion:

"As your system stands now, it is auditable. Jerry came to me with a presentation to the Business Committee and asked who all would be present. Someone told the Tribe or interpreted a comment that was made that everything is auditable except cash. That's ridiculous! Jerry Dine used an example of what you had gone through in the past. You have had some lack of record keeping prior to Dick's coming on board. There was a time when it would be difficult to recreate what had occurred. That is not the case now. What you have now is an auditable system but it is not the most efficient system. If you want us to prepare an audit certified to the overall status of the Tribe, we are not going to get them off the data processing system or your simple computer system because they are not all on it. Then, there will have to be a lot of manual numbers collection. You are going to have to take the Tobacco Enterprise and bring it in. You are going to have to do a lot of manual effort that is not going to be necessary when this system is in place and this is what Russell was referring to.

If they get them all into the computer under the centralized accounting department altogether the consolidated financial statements will have 10 to 15 enterprises and maybe 90 government programs that will be auditable. That is the way you should be using your computer. You are using it now, but you are using something that "has the potential of a cadillac as a model A Ford." That is to say you are not using the Model A Ford well, but it is auditable. It is certifiable. And, if this is engaged right now, we are looking to do an audit for you at the end of September, when this software is in. Your record keeping will come off this software as a by-product. If it is properly done and as long as we are involved, we probably will

enhance your job for you. He does not want us to think that we don't have solid accounting records and competent people because we do." Comments asked for.

Loretta said she understood Barbara to say she was not involved in software because we've already hired WIPFLI, Ullrich Company. WIPFLI Ullrich is not producing the software. They have produced a request for proposals which is going to be sent out to the software providers. Before we select the software, that is the process she will be involved in. We should be getting the proposals back by the end of June and through the month of July we will actually be going to sites to check on the top proposals.

Mr. Burkhart stated "We don't think that the Tribe should be the newest boy on the street. We don't want you to have software that is not in place, proven, tested and functioning elsewhere. There are a lot of other Tribes's and entities that have much the same construction as we do. Not everybody has government programs and enterprises. They are going to find the best set they can find on the market place for the right price and part of this is not just the programs. It is the people that are going to be involved in putting them into your computer. I cannot give you a system that is going to work if you don't have competent people doing it. You had that problem in the past. You did not have competent professional people putting that system in. That is what you are getting now."

They will send these proposals out to anywhere from 10-15 providers. When they get down to 3 or 4 we will be involved in this evaluation process. All the report specifications had been made up from what we have now but using Dick's expertise. When we get the 10 or 15 proposals back we will make them comparable. Then we will bring it down to maybe six. Then he will make some presentations. He will visit enough to see users that are using what you are going to spend your money for. When they get down to three they will be reference checked. The Business Committee and the Board will be involved in whatever extent they want to be. They as the professionals will make a last recommendation for us to make a decision on.

Van Roy had a question on where the money is going. He heard that the money is put all together and questioned if that was legal. Wendell responded that the money is not together and asked Dick Shikoski to further explain this. Dick stated that they have 69 bank accounts. Federal and BIA monies are separated. Van Roy asked why they never get statements when money is received and taken out. Wendell said there are reports given at the Regular Business Committee every month and all back up materials are included in these reports if they had been at these meetings.

Loretta said she had planned a tour at 1:00 of the accounting offices, data processing and also to show them all types of reports, etc. She stated all the information is there if they are interested in seeing it, but duplicating all of these materials is a lot of time and cost. John felt they should be getting a statement automatically as they are working with a lot of money and he does not like to work that way.

Anna John brought up that last Spring the State had met with all of them and asked for an accounting of where the monies were going. Up to now she has not seen a statement of any kind that referred to where the 50,000.00 went or any other amount, which was just put into the Discretionary Fund. Is the State going to be satisfied with that.?

Mark stated that there is a statement of the breakdown on the Discretionary Fund. The Treasurer has stated numerous times that at the Business Committee meetings and the General Tribal Council meetings if any tribal members have any certain things they would like to see on the Treasurer's Report he would be glad to change them to include this. These things need to be communicated to the Treasurer so they can be included. He has asked for these things at several different meetings.

John stated again that this is a large amount of money being transferred and he feels that they should be getting statements automatically, which is a common business courtesy.

John asked Mr. Burkhart again in regard to the software and if the parallel system would stop when this system is in. Mark was in agreement that the parallel system should not stop when the agreement ends. This system should run until both parties are satisfied and then at that time cut it off. Mr. Burkhart said that this was a proper concept. John stated that they had gotten the wrong concept from one of his men and Mr. Burkhart stated that this would be reprimanded. He was also surprised that one of his men would say something this way. He said again that what we have in the converting is not the ultimate system that will be when we get the software. We are not now using our system to the best of its potential.

Barb said this individual was not the one who made the statement to her regarding the system being auditable and the system not including the money. It was one of the Tribe's own accounting people that said that the system was certifiable and auditable but did not include the cash. She called to clarify this and Russell told her that anytime a system would be audited it would include cash.

It was stated that at the time an example was used and cash was used by Jerry Dine. during a presentation to the Business Committee. Wendell stated that he did not remember this. The other committee members did not remember this either.

Wendell discussed and showed where the monies go from the Enterprises on the board. He also showed a report that shows a projected '81 to September 82 of this year receipts and expenditures.

Wendell explained the enterprise and discretionary account and how the money comes out of this account to subsidize these specifically. We do not have individual account breakdowns. In order to do this special accounts would have to be developed.

Loretta stated that in terms of accountability of the financial system here the determination of how to account for that money is up to the Business Committee. She feels that the point they are making, considering the fact that the end of July is the end of the contract, she feels there is no sense in changing the system in order to provide them with the type of reporting that they want. This is only two months away.

John felt that in the past few months they have not gotten any statements or receipts. Anna said they had never gotten any until they requested this. They never had any receipts from the beginning. The agreement was that every three months they would get a financial statement. Wendell stated also under those responsibilities is also the check signing ability of the Treasurer, which all the tribal checks go out under the signature of the Chairman and the Treasurer and this has not happened either. Barbara had asked for that several months ago.

She had requested a third signature and requested Gordy because he was the only one available just about every time she called and then was told the Treasurer should be the one to sign. But this was okay with her too, because the Treasurer has a stamp if he is not personally available.

Wendell asked John if this had helped him to show where expenditures were made out of the Tobacco Revenues help to answer questions he had. John stated it did help after he had seen it. Loretta also stated that Barbara has to come in very shortly to work with her.

Ann questioned purchase order regarding \$900 lumber order. Loretta stated that this company had been contacted regarding this. It has not been paid. This company is noted for not billing correctly.

Barbara explained she could not wait for all the paperwork to go through for the purchase orders because her orders vary so much. Because of all these variables their purchasing for cigarettes would continue in the same manner. Loretta stated that it would go through this procedure except Barb would control the beginning paperwork.

Loretta explained that there is a lot of flexibility in this purchasing system when they have had an opportunity to work with the managers when they have requested it.

Enterprises are handled a lot different than the programs and she thinks it is an unfair statement that enterprises can not do it that way according to our system. Our system can compensate for a lot of different needs in the enterprises and the programs.

Barb Denny said she was told this is the way you have to do it. you cannot deviate.

For programs there is very little variation except in some instances. We do have emergencies on a daily basis. So even that does not have to take a week or two.

Everyone was asked if this explanation was satisfactory. John stated it would be brought up again but on a different aspect. He wanted to get the accounting straightened out.

Barb stated to John that she was not aware that she had to go through this purchasing procedure. Barb stated to John that she was told different things then she just stated. She was informed that she would use the vender his order form and thats all. That is the way she does it now. They never mentioned going through all this paperwork. She had discussed this with Rose. John stated now we have a different concept of what Loretta just said and what they have said.

Loretta stated she could hear her different concept and John said that the two of them were going to have to get together and decide which one you are going to be involved with. Loretta will use the management system and OTE would use the forms. We cannot use a different system and different forms to try to put in on data processing. John wanted to know which system would be used and to work with Barb on that. Loretta asked when they could set up a meeting. It was agreed that 8:00 A.M. on Thursday Barb would come in and possibly on Friday also.

Barb stated that she would like the OTDC Board to be informed of all actions as they only get the one view (hers) of anything taking place. If the OTDC Board would let Loretta Webster know when they meet she could give them an up-date. They meet the 4th Tuesday of the month.

Meeting continued with discussion on the OTDC program in the future.