

In the United States Court of Federal Claims

No. 102-63  
(Filed: July 6, 1993)

RECEIVED  
JUL 01 1993

\*\*\*\*\*  
 JESSIE SHORT, ET AL., \*  
 \*  
     *Plaintiffs,* \*  
 \*  
     v. \*  
 \*  
 THE UNITED STATES, \*  
 \*  
     *Defendant,* \*  
 \*  
     and \*  
 \*  
 THE HOOPA VALLEY TRIBE OF INDIANS, \*  
 \*  
     *Defendant-Intervenor.* \*  
 \*\*\*\*\*

FORWARDED  
3/10/93

ORDER

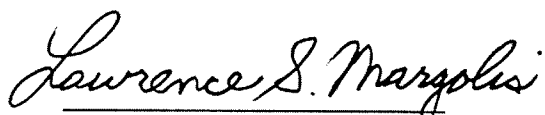
During a telephone status conference of May 11, 1993, it was learned that the parties disagree as to whether the final judgment shall include prejudgment interest on certain portions of the damages award. The court has ruled previously on the question of whether the plaintiffs are entitled to prejudgment interest. However, the parties interpret the court's rulings differently and have mutually requested the court for clarification. Pursuant to the court's order of May 13, 1993, the parties have presented memoranda framing the issue and citing to specific pages in their briefs that relate to this issue. After reviewing the memoranda, the court restates its holding as follows.

25 U.S.C. §§ 161a, 161b and 162a obligate the government to pay interest on funds held in tribal trust accounts. Pursuant to these sections, plaintiffs are entitled to *simple* interest on payments made from the principal earned by the former Hoopa Valley Reservation. Plaintiffs are not entitled to compound interest, that is, interest on the interest earned on the principal. *Short v. United States*, 12 Cl. Ct. 36, 44 (1987) (*Short IV*).

The government made per capita payments from more than one trust fund account. Account number 14X7736 contained interest earned on the principal income from the Reservation. To avoid awarding compound interest, the plaintiffs are not entitled to prejudgment interest on payments made from account 14X7736.

Account number 14X7236 contained primarily principal of income earned by the Reservation. Account number 14X7236 also contained some monies that were earned by investing that principal. Thus, some of the money in account number 14X7236 was interest earned on the principal.

The plaintiffs are not entitled to an award of interest on those funds in account 14X7236 that were interest income earned on the principal Reservation income. The plaintiffs are only entitled to an award of interest on the funds disbursed from account 14X7236 that are principal. This result, which the court announced in *Short IV*, follows from the interest statute at 25 U.S.C. § 161a and the Court of Claims' interpretation thereof in *Menominee Tribe of Indians v. United States*, 97 Ct. Cl. 158, 162-63 (1942). This conclusion is necessary to avoid awarding compound interest.

A handwritten signature in cursive script that reads "Lawrence S. Margolis".

Lawrence S. Margolis, Judge  
United States Court of Federal Claims