



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR

BUREAU OF INDIAN AFFAIRS
Sacramento Area Office
2800 Cottage Way
Sacramento, California 95825

MAR 19 1975

Peter H. Masten, Jr., Chairman
Hoopa Valley Business Council
Hoopa Valley Tribe
P. O. Box 817
Hoopa, California 95546

Dear Mr. Masten:

In response to your letter of March 10, 1975, you are correct in assuming that the 70% of the Hoopa Valley Reservation tribal trust funds and trust income which the Bureau of Indian Affairs has set aside for the Indians of the Hoopa Valley Reservation is not being held in trust solely for the benefit of the plaintiffs in Jessie Short, et al. v. United States, No. 102-63, United States Court of Claims. The 70% of the tribal trust funds and trust income which is presently set aside is being held in trust for all Indians of the Hoopa Valley Reservation. Indians of the Hoopa Valley Reservation, by definition, include the Indians of the Hoopa Valley Tribe.

The reason for the Bureau's withholding of the 70% is twofold - to protect the United States from an enlarged judgment in the Short case and to enable the United States to carry out its trust responsibilities owed to all Indians of the Hoopa Valley Reservation. Judge David Schwartz, the trial judge in the Short case, in his memorandum of pretrial conference of May 17, 1974, cautioned that any overpayments to the Hoopa Valley Tribe could lead to double or individual liability once judgment is rendered.

The decision to withhold 70% of the trust funds and trust income from distribution was based upon various sources available to the Bureau of Indian Affairs. Among those sources were the data from various California Judgment Rolls, the Bureau's allotment records from the Hoopa Valley Reservation, the Bureau's tribal and membership rolls from the Hoopa Valley Reservation, and the number of plaintiffs enumerated in the Short case.

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HOOPA VALLEY TRIBE

It was determined that by withholding 70% of the trust funds and trust income the United States should be able to protect itself from further liability for the mismanagement of trust funds from the Reservation and that the Bureau would be able to carry out its trust responsibilities to all of the Indians of the Reservation by making proper investment of the funds so withheld.

Sincerely yours,

William E. Fernald
Area Director