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Called John Bailey on Jan. 24 (Friday) to let him know we are still working on OMBE with Commerce and will get back to him next week (first part of next week).

copies of corres. forwarded to Lynn May

*Metz held on Friday, Jan. 31 in OMBE.  
Interview (Fred Hodstell Metz)*

# *Coushatta Tribe of Louisiana*

*P. O. Box 988  
Elton, La. 70532*

Chairman and President  
Ernest Sickey

26 December 1974

504-389-6136  
318-584-2365  
318-436-3727

The Honorable Norman Ross  
Domestic Council  
Old Executive Office Building  
Room 218  
Washington. D.C

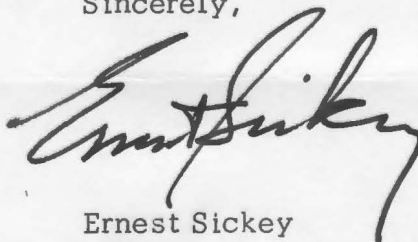
Dear Mr. Ross:

I wish to take this opportunity to thank you for taking time out of your busy schedule to meet with representatives of the United Southeastern Tribes of Florida.

I felt that our meeting with you was quite productive and together I feel we can take steps to resolve problems concerning OMBE and USET. I am sure that you will be hearing from Mr. Bailey on the package for use in briefing prior to contacting proper parties in behalf of USET.

Again, thank you for your concern and interest.

Sincerely,



Ernest Sickey  
Chairman

ES:rr



DEPARTMENT ECONOMIC  
DEVELOPMENT & PLANNING



1970 Main St. Wood Bldg.  
Sarasota, Florida 33577  
Phone: (813) 955-0281  
F.T.S.: (813) 228-2344

December 23, 1974

Mr. Norman Ross, Assistant Director  
Domestic Council  
The White House  
Washington, D.C. 20500

Dear Mr. Ross:

On December 13, 1973, the contract for OMBE Project No. 99-10-04550-00 was signed between the U. S. Department of Commerce, Office of Minority Business Enterprise and the United Southeastern Tribes, Inc. This contract was due to expire July 15, 1974. Prior to July 15, 1974, United Southeastern Tribes, Inc. requested an extension until August 31, 1974 which OMBE granted. The reason for this extension was incomplete work initiated earlier in the program year and unexpended funds.

OMBE requires a dollar return ratio of 3 to 1 the first year and 4 to 1 the second year. The USET-OMBE project returned a little over a 1 to 1 ratio for the first year. This ratio was low according to OMBE guidelines. However, under the circumstances, I feel the return ratio was satisfactory.

There are several reasons for the low dollar return ratio. The underlying factor, I feel, is the newness of the program, the areas to be served under the contract and the lack of a sizeable minority population in a concentrated area. The Indian population to be served is scattered throughout five (5) states, seven (7) Reservations which are composed of nineteen scattered communities. The population to be served under the FY 75 contract is 11,000.

It is also extremely difficult for the population to be served to enter into any form of entrepreneurship due to the lack of adequate equity capital. The lack of equity capital may be resolved with the implementation of the Indian Finance Act of 1974.

Presently the median income in the Reservation areas is far below the national average. For example, one Reservation in an isolated rural area has a median income of \$2,000 per year per household.

OFFICERS

Howard E. Tommie, Pres.  
Seminole  
Jonathan Taylor, V. Pres.  
Cherokee  
Dean Williams, Sec.  
Seneca  
Frank Steve, Treas.  
Choctaw



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Most of the areas to be served, with the exception of the Seminole Tribe of Florida, do not have a solid economic base. Another example is the Cherokee Reservation, Cherokee, North Carolina. The income in this area is highly dependent upon tourism. The majority of employment in this area is seasonal and tourism oriented. Unemployment in this area alone is as high as 10%.

The most significant or major problem with the contract was a lack of the final audit report. United Southeastern Tribes, Inc. had engaged the audit firm of Peat, Marwick, Mitchell and Co. of Tampa, Florida. Due to lack of communication and the apparent lack of understanding of the responsibilities involved, the firm of Peat, Marwick, Mitchell and Co. has not fulfilled the contract regarding the final audit report. I realize the seriousness of the lack of the final audit report. However, I feel this problem can be resolved.

The internal audit system of the United Southeastern Tribes, Inc. has been modified and would meet any requirements that the Federal agencies might require.

Our relationship with Mr. Joseph C. Vasquez, Director of the Indian Office, National Programs Division of the Office of Minority Business Enterprise in Washington, D. C., has not been entirely satisfactory. At times Mr. Vasquez has expressed, by his actions, a lack of understanding of not only the operations of the National OMBE office in Washington, but the operations and problems of the programs in their respective Indian areas. It has been the consensus of opinion by other Indian persons in Indian communities with whom we have had contact, that perhaps Mr. Vasquez has not been a strong advocate for the Indian programs. It is also the consensus of opinion that Mr. Vasquez's office should be strengthened within the National Programs Division.

However, Mr. Vasquez's former assistant, Mr. Roy Chavez, was difficult to deal with in regards to the program. Mr. Chavez's attitude reflected his personal animosity, not only towards Indian people, but to United Southeastern Tribes, Inc. Mr. Chavez has attempted at various times to administer the program from the office in Washington, D. C. and has at various times made accusations and innuendos regarding United Southeastern Tribes, Inc. and its personnel. Mr. Chavez has used foul and abusive language on the telephone to the USET-OMBE personnel.

All of the Indian projects within OMBE are being taken from Mr. Vasquez's office and are being regionalized. I strongly recommend that these programs be retained within the National Indian Office.



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In the State of North Carolina we have 5,000 Cherokee Indians. In and around the Cherokee area there are few, if any, other minorities. The Lumbee people of North Carolina claim to be American Indian. During the Reorganization Act of 1934 they claimed a membership of 22. Today they claim an estimated population between 40,000 and 55,000 members. The Federal government, through the Bureau of Indian Affairs, has not designated these people as American Indians, nor are they eligible for services as American Indians. They have no official designation from the Federal government that they are a minority race.

I do not feel that the U. S. Department of Commerce can really make a definition or designation that the Lumbee people are a minority.

One of the problems with the contract was a lack of complete staffing for the majority of the contract year. Prior to the arrival of the present NBDO Director on June 24, 1974, the project had had two (2) directors whose combined tenure was for a period of six (6) months. The lack of an NBDO Director severely effected the project in giving it direction. This also resulted in low performance and adequate record keeping.

By resolution of the Executive Committee of United Southeastern Tribes, Inc., resolutions have been passed as early as October 1973 regarding the USET Board of Directors concern involving OMBE control over the salaries and qualifications of the USET LBDO personnel. Our Legal Research staff has also expressed concern regarding Mr. Roy Chavez's interpretation of the USET contract. The USET Board of Directors is greatly concerned over the possible termination of our contract with OMBE.

It is my feeling that, if given an extension, the OMBE project will become a successful venture. Since September 1, 1974 to December 1, 1974, there has developed \$222,500 in pending loans and grants.

It is imperative, not only to the Indian community, but to the total community as well, that this project be refunded for FY 75.

Sincerely yours,

*Eugene A. Begay*  
Eugene A. Begay  
Executive Director

Enclosures



OFFICE OF  
THE COMPTROLLER



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OFFICERS

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Seminole  
Jonathan Taylor, V. Pres.  
Cherokee  
Dean Williams, Sec.  
Seneca  
Frank Steve, Treas.  
Choctaw

April 9, 1974

MEMO TO THE FILES

FROM: ROBERT G. STEELE, Comptroller

RG S

I have just talked to Mr. Roy Chavez of OMBE in regard to the scope of the services to be provided on the OMBE contract.

He informed me that we are to provide services to minority people anywhere, not just on the reservations. There is even no problem in providing services to our employees, unless they are employees of the OMBE project.

If we ever provide services to our Board members, officials of the organization or employees of the OMBE project, we should require written approval from the OMBE contracting office.

CC: Eugene A. Begay, Executive Director  
Charles Helseth, Director of Administration



UNITED SOUTHEASTERN TRIBES, INC.

USET RESOLUTION NO. 73-23

Resolution by the Executive Committee of the United Southeastern Tribes, Inc.  
Board of Directors Protesting OMBE Control Over Qualifications and Salaries  
of USET-BDO Personnel

WHEREAS, United Southeastern Tribes, Inc. Business Development Organization has been severely hampered in accomplishing its Scope of Work because it has not been fully staffed since its inception July 15, 1973, and

WHEREAS, The Office of Minority Business Enterprise of the Department of Commerce, which is the contracting agency for the USET-BDO has veto power over USET's selection of staff and salaries, and

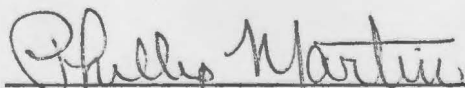
WHEREAS, USET has submitted names and set salaries for positions in the program which were not accepted by OMBE and even the negative responses by OMBE were dilatory causing job applicants to lose their interest and accept other employment, and

WHEREAS, the USET Executive Committee is of the opinion that USET, Inc. has a better capability than OMBE to determine the qualifications for USET-BDO personnel and to decide what salaries they should receive commensurate with USET hiring policies and salary scales, therefore

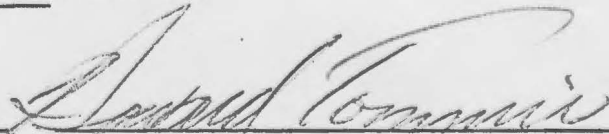
BE IT RESOLVED by the USET, Inc. Executive Committee that the Contracting Officer in the Office of Minority Business Enterprise should defer to USET, Inc. in choosing personnel and setting salaries for the USET-BDO and due consideration should be given to experience in Indian business development and Indian affairs along with academic and business experience in setting those criteria.

Certification

This is to certify that at a meeting of the Executive Committee of the Board of Directors of USET, Inc., properly convened and held in Cherokee, North Carolina, October 4, 1973, the above resolutions was duly adopted by a vote of all in favor, \_\_\_\_\_ opposed, \_\_\_\_\_ abstained.



Phillip Martin, President  
Inter-tribal Council, United Southeastern  
Tribes, Inc.  
Chairman, Choctaw Tribe of Mississippi



Howard Tommie, Secretary  
Inter-tribal Council, United Southeastern  
Tribes, Inc.  
Chairman, Seminole Tribe of Florida



John A Crowe  
John Crowe, Principal Chief  
Eastern Band of Cherokee Indians

Buffalo Tiger by Woodrow B. Hunt  
Buffalo Tiger, Chairman  
Miccosukee Tribe of Florida

Maurice A. Williams For:  
Dean Williams, Chairman  
Seneca Nation of Indians

Leroy Burgess  
Leroy Burgess, Chairman  
Chitimacha Tribe of Louisiana



May 21, 1974

MEMORANDUM

TO: Charles Helseth, Director of Administration  
FROM: Donald Jay Solomon, Department Head  
RE: OMBE Contract

I have reviewed in our file on the OMBE Contract and feel that the action taken by the OMBE Administrator was either a mistake on his part or was arbitrary.

It is obvious that the concept of forming a Cattle Co-op comes within the scope of OMBE's responsibilities. The cattle programs have been a great success to those involved and, in fact, could serve as a model for minority business enterprises. The formation of a co-op to encourage further activities in this field and to expand the present activities is realistic and should be encouraged. Then, when we consider the manner in which the co-op must be formed where the membership is spread over such a large territory, then it is reasonable to expect a considerable amount of travel expense. Luckily, the travel is being performed by someone who is not charging Consultant Fees. However, the fact that he is not charging Consultant Fees makes the travel expense appear relatively larger than it is.

When viewed in this light, it seems that a refusal to allow the grant is arbitrary and should be reviewed by the Contract Administrator's Supervisor.

A decision at any level of administration is reviewable as to correctness and reasonableness. If it is based on information which is not correct it can be overturned. If it is unreasonable it should be overturned.

DJS/ph  
CC: Ms. Yvonne Harjo  
Mr. Eugene A. Begay, Executive Director



# Reasons for refusal of Project for the Tribes

- July '93 funding began
- what is the current disregard to do?

## Poor Administration

- financial reporting timely basis

- Provide Management - business  
\$125,000 for association projects in three states  
for existing and new businesses.

- New businesses had the emphasis
- 3 to 1 ratio

Ratio of 1 to 1 for US&T

## - Audit report

133 rev by General audit. What

Did not receive responses as to why the Project was terminated

Ratios were discussed. Commence say that reasons were vague.



*Coushatta Tribe of Louisiana*

*P. O. Box 988*

*Elton, La. 70532*



The Honorable Norman Ross  
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