

# The money pit: an Indian band's story

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*SAMSON CREE RESERVE HOBEBEMA ALTA-Tamara Okeynan's wooden cross gradually darkened in the sun, from white to grey. Then one day it was gone, lost somewhere in the wild grass, maybe even buried when a grader widened the road.*

No one even slows to look any more. The cars speed by, each raising a rooster trail of dust that hangs in the prairie sky.

Almost a year ago today, Tamara was born on the side of the road to a woman who didn't have a car to drive to hospital, or a telephone to call for help. Death came within hours.

## HAVES AND HAVE-NOTS

A two-part series on inequality in native society.

Tamara's death was news. It was

news because the Samson Cree Reserve, where she was born is one of the richest in Canada. Based on pure mathematics, it would be hard to understand how anyone on the reserve could sink to the depths of poverty that afflicted Tamara's parents.

In 1996, the year before Tamara was born, band revenue exceeded \$97 million--including more than \$47-million in federal and provincial funding. Millions more came from the reserve's oil and gas hold-

ings, plus a hefty investment portfolio that includes real estate and a trust company.

In theory, that money belongs to every person on the reserve, to be shared equally.

But that's not how it has played out. Instead, Samson Cree is a community divided by politics and money.

On one side, there are people such as Tamara's family, living in poverty. Nearly 80 per cent of the

*(Continued on page 14)*

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*Malcolm Boysis sleeps in the squalid basement of his home on the Samson Cree Reserve in Hobbema, Alta. His family has lived in the basement for four months, the main floor is uninhabitable. (Globe and Mail Photo)*

*(Continued from front page)*

5,100 on the reserve are on welfare, and the unemployment rate is estimated at 85 per cent.

On the other side, there is a small group of leaders and connected insiders that controls the reserve's affairs and finances. Some collect tax-free compensation packages that place them in the top few per cent of Canadian income earners.

These leaders travel to Geneva, London, Paris, Turin, Tokyo and countless other places. They attend events across Canada and the United States, They hold meetings in Las Vegas.

Each trip is sweetened by meeting fees and allowances that reportedly can add \$750 or more a day to their salaries

On the reserve, the band leaders' globetrotting ways have earned them a nickname, the Flying Nuns, and the anger of the band's have-nots.

"There are people on this reserve living in shacks, and they're travelling around the world," one band member said. "If you're born on the inside, it's like being born into the family of the king and queen of England--you get a piece of it. But not us. We're the losers."

The complaints at Samson Cree echo a growing chorus of revelations about misguided priorities and mismanagement at reserves across Canada. Many natives believe their leaders have used more than their share of money that was meant for the good of entire communities.

The controversy erupted onto the national stage last year, when Alberta Provincial Court Judge

John Reilly looked into conditions on the Stoney Nation Reserve near Calgary before passing sentence on a native who had been convicted of beating his wife.

Judge Reilly's assessment was shocking. He cited allegations of financial mismanagement, corruption and political repression, and said the reserve was ruled like "a banana republic."

Despite annual revenue of more than \$50-million, the Stoney band had accumulated a deficit of \$5.6 million, leading to funding shortfalls for essential programs. Even though the reserve had an unemployment rate of more than 90 per cent, the three chiefs and 12 councillors paid themselves \$1.4 million, all tax free. One chief collected \$167,988--equivalent to a taxed salary of more than \$300,000 a year.

The revelations about Stoney sparked outrage. Sue Olsen, native affairs critic for the Alberta Liberal Party, said there was no justification for what was going on.

"It's ridiculous. If there are people starving on your reserve, it's not appropriate to be taking that kind of money....These are communal resources. They do not belong to a select few."

According to financial documents obtained by The Globe and Mail, the amounts paid to the chief and 12 councillors at Samson Cree appear to be even higher than those at Stoney--and have been for years. A 1991 budget, for example, showed that more than \$1.5 million was allocated to the chief and councillors.

The 1997-1998 figures appear to be far higher. According to a draft

of a confidential audit prepared for the Department of Indian Affairs and Northern Development, Samson Cree's chief and councillors may have received as much as \$1.9 million in salaries, committee fees and employee and travel benefits. Samson representatives refused to confirm or deny the draft audit figures, which were for the year ended this past March 31.

"I'm not comfortable talking about specific numbers," said administrator Bobbi Okeymaw, who works with the chief.

The audit documents showed that a further \$1.3 million was made available under a "donations" budget item--funds they were reportedly able to hand out entirely at their own discretion.

The chief of the Samson band defended the process of handing out donations in this way, saying they are to "help the people."

Compensation is not the only controversy surrounding band funds. It has been alleged that Samson money has been used for questionable activities--among them low-interest loans granted at the discretion of council.

The 1998 draft audit, for example, showed that more than \$43.5 million had been lent out to band members--and that almost 80 per cent of that amount is listed as "doubtful accounts."

Samson's affairs have been the subject of a long, nasty battle between band leaders and the Warriors, a dissident group that contends the leaders have mismanaged millions of dollars, to the detriment of band members.

*(Continued on next page)*

# Rain: "It's our grandkids' money."

(Continued from previous page)

"Ten per cent of the people are getting 80 per cent of the money," said Warrior Elroy Strawberry-Rain, a former rodeo bull rider who has become the most outspoken critic of the leadership. "What they're doing is wrong. It's disgusting. This isn't their money. And it isn't my money. It's our grandkids' money."

Mr. Strawberry-Rain compared the change in Samson's fortunes after the discovery of oil and gas on the reserve with that of the Clappett family in a 1960s TV series but with a difference: The wealth isn't shared.

"It's like The Beverly Hillbillies except Granny doesn't let anyone else swim in the pool...This place is all politics; it's all family against family. If you're inside, you get everything you need. If you're outside, forget it."

Exactly how much money has gone to the Samson leaders is known only to them--and they refuse to disclose their total compensation or comment on the documents obtained by *The Globe*.

Chief Florence Buffalo's listed salary is \$45,000, and the listed salary for the 12 councillors is \$40,000 each, figures very similar to those at the Stoney reserve. But as at Stoney, the official salaries are only a fraction of the actual compensation.

The amounts allocated to the chief and councillors are made up of a complex series of council fees, committee fees, meeting fees, per diems and allowances, spread through multiple departments.

For the fiscal year that ended March 31, the draft audit showed that the chief and councillors received \$1,198,221 in salaries, committee fees, employee benefits and travel benefits under the chief and council budgets. But \$368,792 more in committee fees was charged to the finance and executive-office departments. Also charged to the executive-office budget was \$373,129 for travel and \$1,291,460 under the "donations" item.

Ms. Okeymaw would not discuss what percentage of the expenses allocated to other budgets were actually paid to the chief and council. "I can't answer any more

of the specifics...The chief should do it and I don't think she's willing to discuss it."

Other sources of complaints are "meeting fees" that leaders receive on top of their salaries, and per diem allowances that they collect while travelling. Although band representatives would not comment budget documents indicate that meeting fees ranged from \$100 to \$200 per meeting. Former employees of the band office said travel allowances, which are paid in addition to billed expenses such as hotels, run from \$200 to as much as \$750 a day.

Band representatives refused to discuss these figures. Asked what her total compensation amounted to, Ms. Buffalo replied: "On that one, I choose to make no comment."

Another point of contention is the ground rules used in handing out low-interest loans and mortgages made with band funds.

According to the 1998 draft audit, \$43,531,839 was owed to Samson Cree by band members--and \$34,770,209 was listed as "doubtful accounts."

There is also controversy about the way housing funds are allocated. Band documents show there are 1,190 houses on the reserve--and 80 off the reserve. These houses are paid for and maintained with band funds.

One band member reportedly received band funds which were used to purchase a luxury home in the Drayton Valley, north of the reserve. Ms. Buffalo acknowledged that the band member owned the home, but said she didn't know about the financial arrangements.

"I can't comment on how it was handled," she said. "As far as I know, she's paying whatever she agreed to pay...Other than that You'll have to ask her yourself."

The band member did not respond to repeated requests for an interview.

Another troubling financial practice has been the use of band funds to give "salary advances" to select people. Exactly how much was lent this way is unknown, but the amounts again are said to be in the millions.

The issue of the salary advances was raised in a 1992 memo from then-chief Victor Buffalo to Ms

Okeymaw, the band administrator. In the memo, the chief expressed dismay that the practice of salary advances was still going on.

He demanded an accounting of all such advances, then took Ms. Okeymaw to task for taking an advance herself: "What was very regrettable to me was that you as administrator had indeed taken a salary advance in the amount of \$35,000."

Chief Buffalo said this kind of action "destroys any initiative we may have had in terms of fiscal management and fiscal responsibility."

Asked about the memo, Ms Okeymaw said, "I don't want to discuss anymore," but did say she had repaid the advance.

Ms. Okeymaw acknowledged that she has received other loans from band funds but said she has paid

them all back. Ms. Okeymaw defended the practice of lending band funds to reserve members, saying natives often have difficulty getting loans at banks.

"We try to give people a chance to get ahead," she said. "There's nothing wrong with that."

Dissidents say there is little or no effort to ensure that loans result in job creation.

In 1987, for example, band members Martin Lightning and a partner were lent \$2125,000 each at 2 per cent over 12 years to start a finance company named Action Finance Ltd.,. They later received \$250,000 more in band funds, for a total of \$500,000.

Action Finance specialized in small loans to band members, typically in the \$100-\$4,000 range. Mr. Lightning acknowledged that he business did little in the way of

job creation--but he said it opened his eyes to some of the goings-on at the reserve.

One potential client came to his company after receiving a substantial grant that was to be used for a job-creation program. The client offered Mr. Lightning and his partner \$20,000 to "launder" the grant through Action Finance. Asked whether the grant money was supposed to wind up in the potential clients' pockets, Mr. Lightning said: "That was the plan."

Mr. Lightning said he was "spooked" by the proposed transaction and later sold his interest in Action Finance. He said he didn't know what became of the money that was to have been used in the job-creation program' Mr.

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# People living in poverty in richest Native community

Lightning said he has seen many odd practices at the band. He recalled an occasion when a heavy-equipment operator--whose wife was connected to the band administration--got a contract with the band, then came to a council meeting to ask for a \$50,000 advance.

Mr. Lightning said a cheque was written and signed "on the spot" without a vote on whether to approve the advance. "What kind of way to run a business is that?"

He said he and many others are concerned about how finances are handled, and he believes mismanagement, incompetence and a lack of federal oversight have cost the band dearly.

He believes the band is worth as much as \$400-million less on paper than it once was.

"If you ask me, it got squandered," he said.

Chief Buffalo came to a restaurant in the nearby town of Wetaskawin to answer questions about the charges and suspicions that have hung for so long over the reserve. She had the air of President Boris Yeltsin at the height of the Russian Government Crisis a tough politician who has remained in power through a siege.

Last year, some Warriors occupied the band office and demanded that she and the council resign. She refused a year later, she was patient but clearly tired of the polemics and accusations.

"I don't know what all the fuss is about. I think someone is trying to push this issue and keep things stirred up. I can't stop that. There's a lot of negativeness. Unless they can prove it, they should stop saying these things."

Ms Buffalo is 60, the mother of 10 children and grandmother of 40. She wore a nylon windbreaker, gold rings and a pair of diamond earrings. She listened, then decided which questions she would answer.

For example, she would not discuss her compensation of that of the councillors. Nor would she comment on allegations of mismanagement. Instead, she pointed out that the band has an annual audit that, she said, is designed to ensure honesty.

She acknowledged that she and the councillors travel extensively but said there's nothing wrong with that. Although unwilling to

go over every destination, she said her travels are important. When she goes to Ottawa, it's for meetings with government officials. When she goes to New York. It's for meetings with government officials and it's for meetings at the United Nations. Her trips and those of the councillors are not for pleasure, she said.

"It's important. Not just to Samson Cree, but to all first Nations. We have to know what's happening out there."

Mr. Buffalo said she knows there is economic inequality on the reserve but said it's not because some have taken more than their share.

"I have kept my people's interest at heart, and they know it..."

My family doesn't come first, my people do...I've had some rotten years myself, I could have complained and tried to blame it on someone else, but I didn't...I try to accommodate the members equally. I think it's only fair that everyone's treated equally. I'm a person with a very good heart."

At the Chief's side was Ms. Okeymaw, her constant companion and a fierce loyalist. Ms. Okeymaw is angry at the relentless criticism the administration has faced.

"We are trying to build people's pride up. We are trying to catch up to society. There is a small group of people that feels the band office owes them a living. I say, instead of tearing things down and protesting, help with the solutions. don't create more problems."

She defended the compensation paid to the chief and herself: "This is not a regular job. This is 24-7 (24 HOURS A DAY, SEVEN DAYS A WEEK). The chief cannot even go to the grocery store without being surrounded. Her job never ends...Maybe some people think we make too much money. I can't help that. compared to Outside, I think we're low."

Asked how she can defend spending money on overseas travel in a place so poor that a baby died beside the road because her mother didn't have a car or a phone Ms. Okeymaw replied: "We are just a community like any other. What about the Mayor of Calgary? He makes as much as the chief, and there are homeless people in his city. Is he responsible for them? Is he?"

Back on the reserve, at the end of

a rutted dirt tract filled with pools of brown water, is the home of Alvina Boysis, widow and mother of six.

The yard is filled with engine parts and broken toys. The house looks as if a giant blowtorch had passed over one side--A Section of the siding has been burned away and not repaired. The front door swings in the wind, banging against its frame. There's no lock or doorknob.

Inside, the scene is reminiscent of a crack house. naked wires and wooden studs, gape from holes in the walls. The rooms are empty, but the sound of a child crying carries from the basement, where Mrs. Boysis and her children have lived for the past four months because the main floor is virtually uninhabitable.

The basement is a dim space that smells of concrete, dirt and sweat. Mrs. Boysis's nine-year-old son, Griffith, was crying. Another son, a teenager, lay on a stained mattress, staring at the iron pipes that run between the floor joists.

Mrs. Boysis's monthly income is just over \$900. Most comes from welfare. The rest comes in cheques from the band office, which represent her share of the band's oil, land and gas wealth.

She pays no rent. As with everyone else on the reserve, her house is provided for her, as are the utilities. But here is one of the worst homes on the reserve.

"I ask them to fix my house, and all they ever say is "There's no money. I'm nobody here. That's just the way it is."

A few months ago, Mrs. Boysis's husband committed suicide. A friend said Mr. Boysis was depressed about many things: "he didn't see what was left for him."

Also among the less fortunate is Mrs. Boysis's sister-in-law, Charlotte Boysis, who lives nearby. Most of her windows have been sheeted with plywood. There is no front door.

"I'd don't see why we have to live like this," she said. "We're band members too. They're suppose to help us all, not just their own."

"This has hurt my kids. They're angry. They're confused. They keep asking me, "Mom, why do we have to live like this?" They look at their friends' houses and they're all fixed up--that's because their parents have friends on council."

Down the road is the house of Ida Boysis, mother-in-law to Alvina and Charlotte.

Thirteen people live in her house, which has three bedrooms. A boy was sleeping on a dirty mattress that had been pushed out onto a rickety back porch. The garage door has rotted and Ida Boysis said she's an outsider and that her position has become even worse in the past year because she spoke out in support of the Warriors.

"I believe in my heart that they don't help me because I supported the protest. They are punishing me."

Behind her house, the prairie stretches into the distance, and it's easy to imagine the land as it was centuries ago when the Cree followed the bison herds and there were no reserves, no fences, no white people--and no money to fight about.

Many Cree still dream about that time, when the place was known as Nipisihkopahk--Land of the Willows. The spirituality and band harmony of that age are a haunting cultural memory that can heighten the pain of the current reality.

Ida Boysis sat at her battered kitchen table and took stock of Samson Cree: "Today it's all politics and fighting. It's no good any more."

There is an election on the reserve every three years. But for decades, many of the same families have held power. Dissidents say this is because the chief and councillors hand out large amounts of money in the form of cash or gifts. This money is provided under the budget term of "donations." According to the draft audit, the amount spend in the 1997-98 fiscal year came to almost \$1.3 million.

That's the carrot, dissident say.

They point out the stick--the fear that those known as opponents of the powers that be will find themselves shut out. Although the same kind of patronage occurs in non-native culture, it is far more powerful and more damaging in a place where virtually all wealth is derived through the political agency at its centre.

"If you're outside here, you're really outside," said Dennis Greene, a member of the Warriors who has campaigned relentlessly for an inquiry into the band's affairs. "There's nothing for you."

He said he's disgusted by the way patronage has warped the reserve's social fabric. "Now it's all about being on the right side."

Mr. Greene, 40, was born and raised on the reserve. He said he knew even as a little boy that not everyone was equal.

"That's the way it was, and you knew it. The band councillors were the first ones with running water. They were the first ones with electricity. They were the first ones with plumbing and they were the first ones with television."

He said the politics and favouritism of the reserve are a cruel chaser to the soul-destroying cocktail for social problems that natives see around them every day--poverty, drinking, drugs and suicide.

"It makes it even worse when you know that you're nobody. One day I woke up and said, "How can I do this? I've got nothing to look forward to." People get so beaten down they feel like they're nothing. They drink. They sniff glue. They do what ever it takes to tune it all out." With a report from Mark MacKinnon. Watch for more next week.