

The money pit: an Indian band's story



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)

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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.

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