

**TESTIMONY OF BERNIE SPRAGUE**  
**SUB-CHIEF OF THE SAGINAW CHIPPEWA INDIAN TRIBE**  
**Oversight Hearing Before the Senate Indian Affairs Committee**  
**On the**  
***In Re Tribal Lobbying Practices of Indian Tribes, Et Al.***

**September 29, 2004**

Mr. Chairman, I am Bernie Sprague, Sub-chief of the Saginaw Chippewa Indian Tribe. We have approximately 3,000 Tribal members located in Arenac and Isabella counties in the state of Michigan. I have served my Tribe for over 19 years and I have served as an elected official of the Saginaw Chippewa Tribe for almost 7 years. These last two years have been a difficult and trying period for my Tribe and myself. On behalf of the Saginaw Chippewa Indian Tribe, I want to thank the Committee for allowing me to testify and for conducting this important investigation.

Our Tribe has a long and painful history since we first came in contact with settlers hundreds of years ago. Our Treaties with the United States government ceded millions of acres of our ancestral lands to the federal government. And like many Tribal nations across this country, our people have endured generations of broken treaties and empty promises. We have struggled for centuries against non-Indians who have used every tactic to steal our land and our precious resources that allowed our Tribe to survive. Unfortunately, Mr. Chairman, we fight a similar battle today. They may wear expensive suits and fancy shoes, but their greed, scare tactics and unscrupulous behavior is the same our people have faced for generations. And their goal to take from Indian people what is not rightfully theirs is once again being painfully repeated.

There is not a word in my language that is strong enough to describe what these people have done to my Tribe. These unsavory characters who lie, deceive, and steal from Indian Tribes need to be exposed for who and what they are.

In the fall of 2001, a small group of Washington, D.C. lobbyists quietly worked to elect eight tribal members to the twelve member Council. As this Committee knows, it

is unheard of to have non-Indians involved in Tribal elections. We do not know where they got the money to run this campaign, but we do know these lobbyists smeared the reputations of other candidates running for Tribal Council through a series of slick brochures sent to Tribal members. This type of campaign has never happened before on our reservation. We now know these lobbyists have engaged in the same practices with other Tribes across Indian country.

We were shocked to learn that members of the former Tribal Council and the former Legislative Affairs Director, who is not a tribal member, were deeply involved in this scheme. We also now know that these lobbyists struck a deal with the candidates they supported at Saginaw Chippewa. The deal was that if they got elected to Tribal Council, these lobbyists would receive multi-million dollar contracts with the Tribe.

Two days after the new Council took office in December of 2001, a divided Tribal Council approved the contracts to hire these firms against the strident recommendation of our Office of Legal Counsel. In doing so, they fulfilled their part of the deal, these D.C. lobbyists were hired, and the looting of the tribal treasury soon followed.

In 2002, I was elected to Tribal Council in a special election. When I began to ask questions about the outrageous fees our Tribe was paying these lobbyists, I learned that there were no reports or documentation for any work they may have performed.

One of the most outrageous examples of unaccounted for services involves the purchase of a voter database from Mr. Scanlon. Our Tribe paid nearly \$4.5 million for a database of voters in Michigan. That's right, \$4.5 million for a database that we never saw. The current Tribal Council researched this issue and found that you could purchase a database of every voter in the state of Michigan for less than \$75,000. To this day, we do not know where this money went. And this type of spending was repeated over and over again, costing our Tribe over \$14 million.

There were other Tribal Council members who raised similar objections to this outrageous spending. Because we asked these questions, and we told Tribal membership what was happening, the Council majority removed all of us from Tribal

Council. We continued to object to their looting of the Tribal treasury and in the election of 2003, almost all of the former Tribal Council members lost their seats in that election.

Once the new Tribal Council was elected in November of 2003, we called in Mr. Abramoff to discuss his contract. During this meeting, Mr. Abramoff was asked if he had a financial or business relationship with Mr. Scanlon. He told our Council he had no relationship with Mr. Scanlon. We now know that was not true.

Mr. Chairman, I fully share your view that scheming to defraud tribes must stop here and now and that those responsible should be prosecuted to the fullest extent of the law. You will be pleased to know that the current Tribal Council has taken steps to ensure this never happens again to our Tribe. We are committed to taking steps within our Tribal Government to bring openness to our contracting process. We have drafted a Tribal ordinance that creates a hiring process that all lobbyists must follow. It ensures no secret deals or contracts for anyone. It mandates all contracts must be approved at open Tribal Council sessions.

But, Mr. Chairman, and members of this Committee, I am not here just to tell you what has happened to our Tribe. We have worked to put together the pieces of this bizarre puzzle, but because we have limited access to various records, we have not had a full accounting of where our money went. And we do not have a full account of what these lobbyists were doing. I encourage you to continue this investigation as far as it needs to go.

Mr. Chairman, I want you to know that our Tribe is prepared to do whatever it takes to get back the money that was wrongfully taken from us. We want to work with the Committee to get to the bottom of what these people did and to return to our people money that can be used for educating our children and health care for our elderly. From the beginning of this investigation, our Tribe has fully cooperated with the Committee and you can be assured that we will continue do so.

Again, I want to thank the Committee for holding these hearings. I especially want to thank Senator McCain who has done so much to improve the quality of life for

Indian people and has been a leader in pressing for these hearings. I am available for any questions you may have.