

Investigation of Allegations at Southern Chiefs' Organization

Name: [Southern Chiefs' Organization](#)

Current Chief: Grand Chief Terrance Nelson

Location: Manitoba

Time period covered by investigation: April 1, 2010 to March 31, 2014

Background

- Aboriginal Affairs and Northern Development Canada (AANDC) undertook an investigation of the Southern Chiefs' Organization in response to various allegations received from employees.
- The Southern Chiefs' Organization had undertaken an internal investigation and dismissed two employees in 2013. The organization cooperated fully in all aspects of the Department's investigation.
- The objective of the investigation was to confirm if AANDC funding had been used for the purposes intended by the funding agreement.
- The work focused on the travel claims and the use of debit cards by former Grand Chief Murray Clearsky and Chief of Staff Michael Bear.

Findings

Use of Debit Cards and Other Funds Received for the Treaty Ride, 2013

- Some Southern Chiefs' Organization members participated in the Treaty Rights conference from July 14 to 18, 2013 at Onion Lake Cree Nation in Saskatchewan. They went to the gathering from Waywayseecappo to Onion Lake on horseback ("the Treaty Ride").
- The Treaty Ride cost \$51,146. A total of \$20,904 of unsupported expenditures were identified and are subject to recovery.
- In addition, a total of \$20,233 charged to a debit card for truck repairs and cash withdrawals is unsupported and to be recovered.
- In summary, a total of \$41,137 is subject to recovery.

Retroactive Pay Increase

- In February 2013, a motion was voted for a pay increase to the Grand Chief. Although there was no mention of retroactivity, the pay increase was made retroactive to the Grand Chief's start date.
- The former Grand Chief was overpaid by \$9,570 and this amount is subject to recovery.

Aski Prepaid Credit Card

- The Assembly of First Nations held their National Assembly in Toronto in July 2012. A credit card was required to book and pay for the hotel rooms for the former Grand Chief and the former Chief of Staff.
- An Aski prepaid credit card (of \$3,530) was given to the Chief of Staff.
- Both the Grand Chief and Chief of Staff had received their travel advances in accordance with the Personnel Policy.

- The Chief of Staff did not repay any of the \$3,530 prepaid credit card to the Southern Chiefs' Organization. This payment is subject to recovery.

Traditional Healing Expenditures

- Traditional healing is not referred to in any way with regard to the Southern Chiefs' Organization mandate for expenditures or the contribution agreement with AANDC. Expenditures totaling \$53,328 for traditional healing and for travel costs for the traditional healer are subject to recovery.

Payroll Advances

- Pay advances of \$4,985 remained unpaid when the former Grand Chief and former Chief of Staff were terminated in October 2013 and are subject to recovery.

Vacation Pay

- The former Grand Chief and former Chief of Staff were paid \$3,604 for vacation to which they were not entitled, and this amount is subject to recovery.

Travel Claims

- The Southern Chiefs' Organization Finance Policy states that all travel outside of Canada must be approved by the Chief of Staff and in writing by the Finance Committee prior to the travel taking place.
- No evidence was found that trips totaling \$16,693 had been approved in writing by the Finance Committee.
- In addition, travel claims totaling \$10,817 were submitted by the former Chief of Staff. When comparing to his cell phone records, it appeared that these travels had not occurred.
- In summary, a total of \$27, 510 is subject to recovery.

Purchase of a Vehicle

- Evidence collected indicated that \$25,911 of AANDC funding had been used by former Grand Chief Morris Swan-Shannacappo to purchase a vehicle which was never recorded as a Southern Chiefs' Organization asset. This is not in accordance with the terms and conditions of the funding agreement and a total of \$25,911 is subject to recovery.

Severance Pay for the Former Grand Chief

- The Grand Chief is exempt from the Southern Chiefs' Organization Personnel Policy and would not normally be entitled to vacation pay.
- The severance pay appears to be a discretionary amount and no recovery is recommended.

Car Insurance

- Former Grand Chief Clearsky had been reimbursed \$1,748 for his vehicle insurance, which is not eligible under the contribution agreement. This amount is subject to recovery.

Payout for Labour Relations Issues

- In cases of labour relations issues (harassment, human rights complaints, etc.), Southern Chiefs' Organization seems to have fired employees and then had to pay them in order to avoid litigation.
- Southern Chiefs' Organization Finance and Personnel Committees had been inactive for many years. Southern Chiefs' Organization staff should be able to report intimidation situation or financial irregularities, for example, without fearing for their job.
- Since 2010, settlements totaling \$96,980 were paid to former employees.

Overall Potential Recovery

Southern Chiefs' Organization	
Amounts Potentially Recoverable	
	Total
Unauthorized Use of Debit Cards and Other Funds for Treaty Ride	\$41,137
Retroactive Payment to Grand Chief	\$9,570
Aski Prepaid Credit Card	\$3,530
Ineligible Traditional Healing Expenditures	\$53,328
Net Payroll Advances receivable (to Grand Chief and Chief of Staff)	\$4,985
Unearned Vacation Pay	\$3,604
Ineligible Travel Claims	\$27,510
Purchase of Vehicle	\$25,911
Personal Vehicle Insurance	\$1,748
Payout for Labour Relations Issues	\$96,980
Total	\$268,303

Conclusion

- A total potential recovery of \$268,303 has been identified. After discussions with the current Grand Chief and the Chiefs in Summit, it was determined that the amount paid for labour relations issues represented a payment to avoid greater legal costs and potential litigation and therefore not subject to recovery. The total to be recovered is \$171,323.

Recommendations

- The Executive, Finance and Personnel Committees of the SCO should provide better oversight for the Grand Chief and the Chief of Staff. For instance, travel claims by the Grand Chief should be approved by two members of the Finance Committee, and the Chief of Staff's travel should be approved by the Grand Chief and a member of the Finance Committee.
- The Finance Committee should enforce the Policy now in place and approve in advance in writing all travel outside of the country by any member of staff.

- Travel claims should be completed with the reason for travel, the dates and all supporting documentation (including receipts for hotels and other expenses), and signed by the individual requesting reimbursement. All travel claims should be approved by two authorized individuals.
- Any concerns about the conduct of Southern Chiefs' Organization senior management should be reported to the attention of the Personnel Committee or Finance Committee in a timely manner, on a confidential basis.
- The practice of staff 'advances' should be discontinued, as it does not comply with the AANDC Funding Agreement.
- AANDC funds should not be used to compensate individuals whose employment is being terminated, without the express agreement of the Regional Director General.
- The Chiefs in Summit should provide the Finance Administrator with written confirmation of the Grand Chief's salary and benefits on an annual basis, in writing. Any increase in salary or benefits, entitlement by the Grand Chief to vacation or severance pay, should be communicated in writing and accompanied by the appropriate record of the decision.
- Clear policies and procedures regarding the use of and payment of expenses incurred on debit or credit cards should be developed and implemented immediately.