

fees and not take out her allowance that she got until after the moneys were accounted for in the accounting, even though the court had made the award that she could take those out monthly, so she would always wait and see what figures we came up with and then she would take out her moneys and said that she had the balance, whatever it was she had, and would put in, and she would put in that account. Now, some of the moneys were collected from section 14 where there is no written lease, just a revocable permit and she had been in the habit as all of the Indians were, the parents of the minor children who had lots producing income, and she would collect these herself and she did this before the guardianship program was started, so she still continued the same procedure, only now she was continuing the same procedure while not giving the full accounting that was required.

Mr. EDMONDSON. Is this an accurate statement in the task force report that says, “* * * savings account balances were reported to the court which did not exist * * *.”?

Mr. SCHLESINGER. The balance did not exist as of the date that was shown in the accounting in the savings account. It existed in her representation to us that she had this money, and again, the differences were very, very small in the first few years so there was very little reason for us to question it. In one particular accounting period when she was a year and a half late giving us the accounting information, we wrote repeated letters saying she would be removed by the court if she did not. She then turned over the information to us, and when we went through it, again it was a very difficult job to try to reconstruct what happened. For the first time the discrepancies were so large that we realized that she was taking the money for her own use. The previous years the amounts had been relatively small, there was no question she had substantial property and income of her own, there was no reason to doubt what she had told us were the facts.

Mr. EDMONDSON. Well, giving you full credit for having confidence in your client, we still come back to that statement, was it false and unfair and irresponsible to report as the task force did, that savings account balances were reported to the court which did not exist?

Mr. SCHLESINGER. Well, I guess that what we could be guilty of is the confidence in our client, that it was as she represented. We did not audit her account, we could not get—we took her word there was cash.

Mr. EDMONDSON. But, you did have the passbooks in hand at the time you made your reports?

Mr. SCHLESINGER. We would give them back to her to make the deposits to make up the difference that was involved after she computed what her allowed fees were. It was a backhanded way of doing it.

Mr. EDMONDSON. So, this particular statement then that appears in the task force report on the subject of inaccuracy of accounting then, is, in substance, an accurate statement, is it not?

Mr. SCHLESINGER. As far as it relates to the amounts not being in those accounts at the time they made their accounting, that is correct.

Mr. EDMONDSON. Now, let me read you another statement from this same report.

Worksheets in the law firm's files disclose that the firm was aware of the shortages and that balances as reported in the accountings to the court were overstated.