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June 22, 2011

The Honorable Gene Dodaro
Comptroller General
U.S. Government Accountability Office
441 G St. NW
Washington, DC 20548

Dear Mr. Dodaro:

As Ranking Member of the House committee with jurisdiction over matters affecting American Indians and Alaska Natives, I write to request a Government Accountability Office (GAO) report describing the spending and profit distribution practices of the 13 regional Alaska Native Corporations (ANCs) created by the Alaska Native Claims Settlement Act of 1971 (ANCSA), as amended.

ANCSA was intended to resolve Alaska Native aboriginal land claims to over 360 million acres of land, as well as to aboriginal hunting and fishing rights. It did so by vesting the assets provided in the settlement – ownership of approximately 45 million acres of land and hundreds of millions of dollars in congressional appropriations and anticipated Alaska state oil royalties – in state-chartered native corporations.

A central part of the settlement was the establishment of 12 (later expanded to 13) regional Alaska Native Corporations, which were to be owned by Alaska Natives through privately owned shares of corporation stock. ANCSA established certain requirements relating to the incorporation of ANCs, their bylaws and corporate governance, their boards of directors, their issuance of stock, and disclosure requirements.

Under ANCSA, stock in these corporations was, in general, exempted from the federal securities laws. However, ANCSA also mandated that:

A Native Corporation that, but for this section, would be subject to the provisions of the Securities Exchange Act of 1934 [...] shall annually prepare and transmit to its shareholders a report that contains substantially all the information required to

be included in an annual report to shareholders by a corporation subject to that Act.

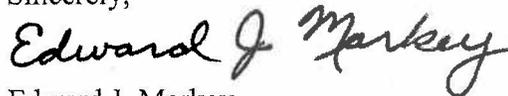
43 U.S.C. § 1625 (c)(1).

In order to better understand how ANCs are complying with the reporting requirements of ANCSA and whether such disclosures are fulfilling the needs of the Alaska Natives who are shareholders in these corporations, I request that GAO examine: (1) how and to whom the ANCs are required to report information regarding their financial and operating condition; (2) what federal or state laws and regulations are applicable to ANC disclosure and financial reporting, how compliance with such laws and regulations are monitored, and compliance is enforced; (3) whether GAO believes ANCs are providing full and complete disclosure of all material information to their shareholders regarding their ongoing activities, including profits, losses, spending, and affiliate transactions, and whether such disclosures are consistent with ANCSA and any other applicable laws and regulations; and (4) the integrity of the financial reporting system applicable to ANC spending and distribution of profits to shareholders compared to non-ANC corporations that are subject to federal securities laws. Additional reporting on the nature and adequacy of ANCs' fiduciary disclosures, meeting requirements and other legal obligations pursuant to the 1971 Act is also requested.

In addition, I ask that you examine and report on ANCs' accountability for the way in which benefits are redistributed to Alaska Native communities, both directly, such as through dividends provided to ANC shareholders, and indirectly, such as through community infrastructure, support of subsistence lifestyle, and job opportunities. And any policies specifying an amount or percentage of net income to be distributed by ANCs as shareholder dividends should be included in GAO's report.

If you have any questions, please contact Jennifer Romero (Jennifer.Romero@mail.house.gov) of the Natural Resources Committee, Indian and Alaska Native Affairs subcommittee staff at (202) 225-6065.

Sincerely,



Edward J. Markey
Ranking Member