

Agencies at odds over how grant money parcelled to band's councillors

CHRISTIE BLATCHFORD
FROM FRIDAY'S GLOBE AND MAIL
FEBRUARY 22, 2008 AT 3:59 AM EST

The Aboriginal Healing Foundation and the Saskatoon Tribal Council are at odds about how money destined for sexual abuse survivors at the Yellow Quill reserve seems to have ended up in the hands of two band councillors and the relative of another.

The revelation that about \$60,000 meant for a program of workshops and counselling for residential school survivors appears to have been squandered or pilfered by the trio was reported in The Globe and Mail yesterday.

Mike DeGagne, executive director of the native-run, non-profit AHF - established in 1998 with \$350-million from the federal government and later bolstered with an additional \$125-million, also from Ottawa - said yesterday his organization learned of possible irregularities at the "Claiming Victory" project only in the fall of 2004, when a worried Yellow Quill resident sent a letter of complaint and a package of bank documents.

The documents, including cancelled cheques, are similar to those received by The Globe last week on a visit to the now-infamous reserve where, late last month, two little girls, Santana and Kaydance Pauchay, froze to death in the snow.

Related Articles

Recent

- Grants go missing in Yellow Quill



They show that the two councillors and the relative of a third, then the director of the reserve's health clinic, each cashed cheques totalling between \$17,000 and \$19,000 over a five-month period ending in February, 2005; the third councillor also cashed cheques worth almost \$5,000.

Mr. DeGagne said the AHF was planning a site visit shortly after getting the documents, but learned it would be useless because the band without notice had handed over all project records to the STC, the regional level of native governance.

Only last fall, he said, almost four years later, did the AHF finally receive the audit that was completed by the STC, but not records such as the general ledger.

Left "without knowing whether something bad happened" or whether there were mere irregularities Mr. DeGagne said, "We're probably going to have to pay for a forensic audit."

But a spokesperson with the STC, who asked not to be named, was unequivocal that the AHF had made a final payment of \$123,500 to the project - which received almost \$450,000 from the AHF over four years- despite not having received an audit from the band for the previous two years, a clear breach of its own policies.

"How on Earth, and on what authority, did they [AHF] release the money?" the spokesperson asked yesterday. "They hadn't had an audit in two years."

According to the STC, while there were rumours on the reserve, about 250 kilometres east of Saskatoon, that something was awry with the project, it was only in the spring of 2005, when the STC's own auditor was in Yellow Quill on a routine visit, that he "noticed a deposit transfer of \$60,000 into the health service."

The STC provides health services to the band - which is under third-party supervision after being deemed unable to manage its own financial affairs - under a transfer agreement with Ottawa, and, the spokesperson said, once it was ascertained that "we didn't send the money, it's not ours," the auditor realized "there's something really, really fishy going on" and found the Yellow Quill Aboriginal Healing Foundation account.

The band's own frail capacity - fragile as it often is at such impoverished and troubled reserves, where trained and educated staff are at a premium and hard to keep in position once hired - was being stretched, the spokesperson said, and "the internal control systems broke down."

Indeed, according to the STC, the AHF was warned that its requirements - demanding project-holders set up a separate bank account to manage funds - would disrupt existing financial checks and balances and prove "just too big a temptation" for some who have so little.

The STC said it completed its audit in a timely fashion, and indeed presented a draft copy to the Yellow Quill chief, council and community, 45 days before the band's last election in November of 2005.

The delay in sending it to the AHF, the STC says, was because the chief and council - notoriously dysfunctional - had to sign off on it first.

Despite what Chief Robert Whitehead told The Globe and Mail yesterday, the three councillors who were involved in the project scandal were not removed from office but rather swiftly voted out. "Whether or not the legal system will ever kick in," the STC spokesperson said, "those people made their voices heard." The clinic director was fired.

The STC found "no evidence" the missing \$60,000 was spent on programming for Yellow Quill residents.

But Mr. DeGagne said that sometimes, while people writing themselves cheques in order to pay others in cash is "a bad practice," it may not be criminal.

The fate of an RCMP investigation into the allegations - The Globe has confirmed the force was aware of the matter at the time - is uncertain, as the RCMP won't comment on whether probes are completed or not, only when criminal charges are laid.

Mr. DeGagne said yesterday that the AHF walked a fine line in distributing its almost 1,400 grants, knowing that sometimes where there are "extreme levels of need," there may also be few people capable of operating a project. "But we can't, in good conscience, not fund" those projects in desperate communities.

"The temptation is to say there are many good healing projects out there, why dwell on the misappropriation of funds," Mr. DeGagne said.

But he took heart, he said, that there are still people at Yellow Quill who want answers. The AHF gets "a lot of complaints, and I get a sense it's a measure of empowerment ...[someone saying] 'My chief and council aren't spending the money the way it's supposed to be spent.'

"At least they're complaining," he said.

Recommend this article? 1 votes

View the most recommended

© Copyright 2008 CTVglobemedia Publishing Inc. All Rights Reserved.

CTVglobemedia

globeandmail.com and The Globe and Mail are divisions of CTVglobemedia Publishing Inc., 444 Front St. W., Toronto, ON Canada M5V 2S9
Phillip Crawley, Publisher