



INTERIOR BOARD OF INDIAN APPEALS

Blackfeet National Bank v. Director, Office of Economic Development,
Bureau of Indian Affairs

34 IBIA 240 (02/09/2000)



United States Department of the Interior

OFFICE OF HEARINGS AND APPEALS
INTERIOR BOARD OF INDIAN APPEALS
4015 WILSON BOULEVARD
ARLINGTON, VA 22203

BLACKFEET NATIONAL BANK, Appellant	: Order Affirming Decision
	:
	:
v.	:
	: Docket No. IBIA 99-23-A
DIRECTOR, OFFICE OF ECONOMIC DEVELOPMENT, BUREAU OF INDIAN AFFAIRS, Appellee	:
	:
	:
	: February 9, 2000

This is an appeal from an October 13, 1998, decision of the Director, Office of Economic Development, Bureau of Indian Affairs (Director; BIA), denying a request for a 90% guaranty of loans totalling \$414,902, proposed to be made to Richard P. Stone, Philomena Stone, Michael Stone, and Richard B. Stone, d.b.a. Stone Ranch. The purposes of the proposed loans were to refinance existing debt and provide operating funds for a family cattle ranch.

The Director initially declined Appellant's request for a loan guaranty on August 28, 1998. Appellant sought reconsideration. On October 13, 1998, the Director again declined the request, stating as reasons for denial: (1) the Stones had not provided a partnership agreement or other plan of operations establishing clear rights and responsibilities among the four individuals; (2) past financial weakness, unpaid debts, and lack of operational focus gave the Stones a lack of adequate cash flow to service the proposed debts; and (3) in light of reasons (1) and (2), there did not appear to be a reasonable prospect for repayment of the loans.

Appellant appealed this decision to the Board. In its notice of appeal, Appellant stated that a partnership agreement for the Stones would be forthcoming. It stated further:

[The Stones] are negotiating with the Nature Conservancy to enter into a Conservation Easement. If the Conservation Easement is granted [the Stones] may receive approximately \$150,000.00 cash. This will be applied toward [the Stones' existing debt]. We feel that this additional cash will reduce the proposed loan amount sufficiently to provide for a positive cash flow to service the proposed debt.

Upon receipt of the details surrounding the Conservation Easement and the actual cash payment we will forward an updated repayment projection and Guarantee request.

Appellant did not file a brief. Nor did it submit any further information concerning a partnership agreement for the Stones or the proposed conservation easement.

Decisions as to whether to approve a request for a loan guaranty are committed to the discretion of BIA. Polzer v. Minneapolis Area Director, 20 IBIA 158 (1991). Where a BIA decision is based on the exercise of discretion, an appellant challenging the decision bears the burden of proving that the BIA official did not properly exercise discretion. Sault Ste. Marie Tribe of Chippewa Indians v. Minneapolis Area Director, 25 IBIA 236 (1994).

In this case, Appellant did not even allege, let alone establish, that the Director did not properly exercise discretion. Under these circumstances, Appellant has failed to carry its burden of proof. See, e.g., OK Tank Trucks, Inc. v. Muskogee Area Director, 33 IBIA 119 (1999).

Therefore, pursuant to the authority delegated to the Board of Indian Appeals by the Secretary of the Interior, 43 C.F.R. § 4.1, the Director's October 13, 1998, decision is affirmed.

//original signed

Anita Vogt
Administrative Judge

//original signed

Kathryn A. Lynn
Chief Administrative Judge