Status of the Office of Navajo and Hopi Indian Relocation’s Land Selection in Arizona and New Mexico
Memorandum

To: David Bernhardt  
Secretary, U.S. Department of the Interior

From: Mark Lee Greenblatt  
Inspector General

Subject: Final ONHIR Review – Status of the Office of Navajo and Hopi Indian Relocation’s Land Selection in Arizona and New Mexico  
Report No. 2020-WR-016-C

This report is part of a series of reports to help decision makers plan for the future of the Office of Navajo and Hopi Indian Relocation (ONHIR). We launched our review in December 2019 with an initial report that provided an overview of ONHIR’s background and functions (Report No. 2019-WR-039).

Our objective for this review was to determine the status of ONHIR’s land selection. Specifically, we sought to answer the following:

1. What is the status of ONHIR’s land selection in Arizona and New Mexico?

2. What is the status of the Navajo Nation’s plan to cancel some of its land selections and replace them with new selections?

3. What congressional considerations exist in the event of ONHIR’s closure or transfer of duties?

Due to the COVID-19 pandemic, we had to limit our fieldwork. In particular, we reviewed relevant laws, regulations, procedures, and documents but had to limit our site visits and interviews.

**About This Report Series**

ONHIR’s FY 2019 appropriation required a transfer of funds to our office to review ONHIR’s finances and operations in preparation for its possible closure.

We are issuing a series of reports that describes ONHIR’s responsibilities, functions, and current operations. Each report addresses a key topic and the related considerations for ONHIR’s closure or transfer of duties to a successor agency or agencies.
Background

ONHIR is an independent Federal agency responsible for assisting with the relocation of Navajo people and Hopi people living within each other’s boundaries. ONHIR reports directly to the President of the United States and is overseen by both the U.S. Office of Management and Budget and the U.S. Congress. Pursuant to the Navajo-Hopi Land Settlement Act of 1974 (Pub. L. No. 93-531), as amended, a presidenitally appointed Commissioner serves as the head of ONHIR, but this position has been vacant since 1994. A Senior Executive Service Executive Director who has been acting under delegated legal authority manages the agency.

Land Partitioning and Trust Acquisitions

In 1882, President Chester Arthur set aside about 2.5 million acres of land for the Hopi and “such other Indians as the Secretary of the Interior may see fit to settle thereon.” At the time, about 1,800 Hopi and 300 Navajo were living on the Hopi reservation. In 1958, Congress passed a law authorizing the Navajo and Hopi tribes to file suits in Federal Court to resolve disputes over ownership of the reservation land. At that time, there were about 8,800 Navajo residing within the Hopi reservation. In court cases in subsequent years, each tribe claimed exclusive rights to some or all of the reservation land.

In 1974, Congress passed the Settlement Act, which authorized the partition of the disputed land between the two tribes and required Navajo households on Hopi land and Hopi households on Navajo land to relocate.

Along with this land partitioning, the Settlement Act, as amended, directed the Secretary of the Interior to take additional lands into trust to become part of the Navajo reservation. The lands selected were not to exceed 400,000 acres across two categories, specifically:

- Category 1: Up to 250,000 acres of lands under the jurisdiction of the Bureau of Land Management (BLM) in Arizona and New Mexico to be transferred to the Navajo at no cost.
- Category 2: Up to 150,000 acres of private lands to be acquired by the Navajo Nation.

The Settlement Act required that the border of any parcel of land transferred or acquired be within 18 miles of the boundary of the Navajo reservation and that no more than 35,000 of the 400,000 acres selected be in New Mexico. Once lands are selected, they are taken into trust by the Federal Government for the Navajo Nation.

The law authorized the Navajo Nation to select lands in consultation with the Navajo and Hopi Relocation Commission (later replaced with ONHIR) until July 8, 1983. After that date, the

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1 In its response to our draft report, the Navajo Nation referred to the Settlement Act as the “Relocation Act” and objected to any suggestion that there had been a mutually agreed-upon “settlement.” We note that in this report we use “Settlement Act” for consistency with the law’s title.
2 According to ONHIR officials, all Hopis have been relocated. For the status of Navajo individuals yet to be relocated, see OIG Report No. 2020-WR-016-A, Status of the Office of Navajo and Hopi Indian Relocation’s Administration of Relocation Benefits, issued September 2020.
3 The taking of tribal land into trust is also referred to as “trust acquisition” and is the process by which the Secretary of the Interior acquires title to land or interests in land to be held in trust by the United States on behalf of an individual Indian or a tribe.
Commission had authority to select lands in consultation with the Navajo. Most of the lands selected and taken into trust in Arizona are referred to by ONHIR as the “New Lands,” consisting of about 352,000 acres. Acquisition of these lands was completed in 1986, and the lands were taken into trust in 1987.

Figure 1 shows locations of the two reservations and the Navajo Nation’s New Lands relocation community in Arizona. The map does not depict the other lands selected and acquired in trust pursuant to the Settlement Act totaling about 35,008 acres, which the Navajo Nation also refers to as “new lands.” These lands include: (1) the Paragon Ranch, consisting of about 34,115 acres and located 36 miles due south of Farmington, NM, and 56 miles northeast of Gallup, NM; (2) the Tse Bonito parcel in New Mexico, consisting of about 86 acres and located about 3 miles east of Window Rock, AZ; (3) the Twin Arrows parcel in and near Flagstaff, AZ, consisting of about 433 acres and where the Twin Arrows Navajo Casino Resort is located; and (4) the Turquoise Ranch parcel near Winslow, AZ, consisting of about 374 acres.

**Figure 1: Map of Navajo and Hopi Reservations and New Lands Boundaries**

![Map of Navajo and Hopi Reservations and New Lands Boundaries](image)

Currently the Navajo reservation is more than 17.7 million acres (the largest reservation in the United States) in the States of Arizona, New Mexico, and Utah; the Hopi reservation is more than 1.6 million acres and surrounded entirely by the Navajo reservation.

**Administration of Acquired Trust Lands**

ONHIR administers the lands acquired pursuant to the Settlement Act and held in trust for the Navajo Nation until the relocation of Navajo people and Hopi people off each other’s designated land is complete. In contrast, the Bureau of Indian Affairs (BIA) is generally responsible for the administration and management of land held in trust by the U.S. Government for American Indians and Indian tribes, including the Navajo Nation. The BIA administers a majority of all land held in trust and has issued regulations governing leasing of and grazing on trust land. BIA regulations do not apply to the lands acquired under the Settlement Act because the statute’s language places responsibility for administering those lands on ONHIR.

In the event of ONHIR’s closure or transfer of duties, the BIA’s role in the trust acquisition process will presumably continue. The BIA already has in place the rules and regulations to fully administer tribal trust lands. An attorney-advisor with the U.S. Department of the Interior’s Office of the Solicitor (SOL) told us, however, that if the BIA were to assume ONHIR’s land management activities, changes to the BIA’s rules and regulations might be warranted because they differ from ONHIR’s.

**Status of Land Selection in Arizona and New Mexico**

As of March 2020, 387,448 acres (96.9 percent) of the 400,000 acres had been selected. ONHIR currently has land selection authority for the 12,552 acres (3.1 percent) remaining to be selected. Staff at ONHIR’s Flagstaff, AZ office told us that although ONHIR has authority to select the lands to be taken into trust for the Navajo Nation, ONHIR has always looked to the tribe to take the lead on land selection but has discouraged potential land selections where the parcel had limited potential value or serious issues, such as high risk of flooding.

Figure 2 provides a summary of the acreage already selected. Overall, 99.9 percent of the 250,000 acres under BLM jurisdiction in Arizona and New Mexico (Category 1 lands) and 91.7 percent of the 150,000 acres of private lands (Category 2 lands) have been selected.
The U.S. Government Accountability Office (GAO) reported in April 2018 that about 375,900 acres (97 percent) of the 387,400 acres selected as of December 2017 had been taken into trust.4 The GAO reported that the remaining 11,500 acres (3 percent) not yet taken into trust were Category 1 lands located in New Mexico. These lands had not been taken into trust because the BLM had not processed all the applications for coal exploration (specifically those known as preference right lease applications) for these lands.

In its response to our draft report, the Navajo Nation stated that, because of a land survey error, the Category 1 acreage remaining to be selected is approximately 884 acres rather than approximately 128 acres. The Navajo Nation stated that the survey error arose from a land selection in Arizona. According to the Navajo Nation, an updated survey showed that the land selection was approximately 756 acres more than the tribe “was told or thought” it would be acquiring. A BLM official told us that the original survey performed by the General Land Office (the BLM’s predecessor agency) was conducted in the 1880s and that the 756-acre difference is a result of more accurate, modern surveys completed by the BLM in the 1980s and early 1990s using GPS and other electronic instrumentation. The Navajo Nation stated in its response that it would like to have the 756 acres restored so it can reselect other lands. The Settlement Act, however, does not authorize the deselection of land previously selected to be taken into trust.

### Status of Canceling the Navajo Nation’s Land Selections and Replacing Them With New Selections

An ONHIR official told us the Navajo Nation would like to reverse some of its land selections in New Mexico and make new selections. Because the Settlement Act does not authorize the deselection of land previously selected to be taken into trust, the Navajo Nation obtained statutory authorization under the John D. Dingell, Jr., Conservation, Management, and Recreation Act of 2019 (Pub. L. No. 116-9) to cancel some of its New Mexico land selections and replace them with new selections.

In its response to the draft report, the Navajo Nation noted that the Dingell Act canceled certain New Mexico selections made in 2015 and authorized the Nation to make new selections

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of up to 15,000 acres of BLM land. The SOL told us, however, and the Navajo Nation agrees, that the Dingell Act requires the new selections to be of equivalent value to the canceled selections and that an appraisal of the canceled lands must be completed within 18 months of the Dingell Act’s date of enactment. The deadline to complete any appraisal was September 12, 2020. The SOL told us on August 13, 2020, that the BLM had appraised the minerals (coal) on the canceled land selections, but a surface appraisal had not been completed. In addition, the Navajo Nation told us it had attempted to contact the BLM’s State Office in Santa Fe, NM, to find out the status of the appraisal, but as of August 28, 2020, the office had not responded.

ONHIR told us there are currently no pending Navajo Nation land selections under the Dingell Act. The deadline established by the Dingell Act for the Navajo Nation to make all new land selections to replace the canceled land selections is March 12, 2026.

In addition, ONHIR told us the Navajo Nation is interested in having the option to select land to be held in restricted fee status rather than held in trust. “Restricted fee status” means that title to the land is held by a tribe or individual Native American and that the owner of the land can transfer or limit the title to the land (through a claim, lien, easement, charge, or restriction of any kind) only with the approval of the Secretary of the Interior. The April 2018 GAO report noted that allowing this option is not without precedent; a 2016 law mandated a trust acquisition for certain parcels of land unassociated with the Navajo and Hopi relocation unless the Navajo Nation elected to have the land conveyed to it in restricted fee status.5 In its response to the draft report, the Nation confirmed that it is seeking the option of restricted fee status and appreciated our noting that this “would not set a precedent.”

Congressional Considerations in the Event of ONHIR’s Closure or Transfer of Duties

We cannot resolve any disagreements between ONHIR and the Navajo Nation regarding land selection, but we emphasize the below considerations for Congress as it determines how to proceed.

In the event of ONHIR’s closure or transfer of duties, legislation may be needed to determine:

- Whether the selection of any remaining land (currently, 12,552 acres) should revert to the Navajo Nation or an appropriate successor agency should be designated for this activity. This question does not apply to new lands selected in New Mexico to replace the canceled selections under the Dingell Act, which the Navajo Nation is authorized to do until March 12, 2026. In its response to the draft report, the Nation stated it would like to reassert the land selection authority of any remaining acres from the 400,000 acres and maintained that land selection authority should revert to the Navajo Nation out of respect for tribal sovereignty.

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• Whether an issue exists regarding the overselection of 756 acres in Arizona, and if so, whether legislation is warranted to allow the Navajo Nation to reverse that selection and reselect other lands. In its response to the draft report, the Nation stated it would like authority to cancel the Arizona overselection similar to the authority under the Dingell Act to cancel land selections in New Mexico and replace them with new selections.

• Whether future land selections should be taken into trust as a mandatory trust acquisition. Without congressional action, any acres remaining from the 400,000 acres that the Navajo Nation wants taken into trust after ONHIR’s closure might be considered a discretionary trust acquisition subject to BIA regulations under the Indian Reorganization Act (Pub. L. No. 73-383). In its response to the draft report, the Navajo Nation stated that, even after ONHIR closes, the obligation to take land into trust on a mandatory basis survives. The Navajo Nation maintained that one of the Settlement Act’s principal benefits is the mandatory acquisition into trust of certain lands, and the Nation stated that it does not want to lose that benefit at the end of ONHIR’s life. The SOL indicated its agreement with the Navajo Nation’s position, stating that no acquisitions under the Settlement Act are discretionary.

• Whether the Navajo Nation should be given the option of restricted fee status versus trust status in future land selections. Without statutory authorization, any acres not yet selected pursuant to the Settlement Act cannot be held in restricted fee status.

Conclusion

Due to the COVID-19 pandemic, we had to limit our fieldwork. In particular, we reviewed relevant laws, regulations, procedures, and documents but had to limit our site visits and interviews. We conducted our review in accordance with the Quality Standards for Inspection and Evaluation as put forth by the Council of the Inspectors General on Integrity and Efficiency. We believe that the work performed provides a reasonable basis for our conclusions.

We invited ONHIR and Navajo and Hopi officials to provide input on a draft version of this report. ONHIR provided suggested edits to two sentences in the “Background” section and the third bullet in the “Congressional Considerations” section, which we have incorporated in this report. The Navajo Nation provided a written response; we have incorporated some information in this report where applicable and included the full response in the attachment. Hopi officials did not provide a response.

If you have any questions, please contact me at 202-208-5745.

The legislation creating the Office of Inspector General requires that we report to Congress semiannually on reports issued.
Attachment
Attachment: Response to Draft From the Navajo Nation

The Navajo Nation’s response to our draft report follows on page 10.
MEMORANDUM

To: Office of the Inspector General, Department of the Interior

From: The Navajo Nation


Date: July 31, 2020

Introduction. Thank you for the opportunity to comment on the OIG draft report titled Current Status of the Office of Navajo and Hopi Indian Relocation’s Land Selection in Arizona and New Mexico. Although the report is largely descriptive in character, there are certain statements that the Nation does not agree with or that otherwise would benefit from additional context.

Navajo Nation Rejects the Implication that It Is “In Part” Responsible for the Relocation. In the Background section, the draft report states: “ONHIR is an independent Federal agency responsible for assisting with the relocation of Navajo people and Hopi people living within each other’s boundaries as a result, in part, of a longstanding land dispute between the tribes.” (Emphasis added.) The draft report never explains the reference to “in part,” however, the Navajo Nation strongly disputes the notion that the cause of the relocation is in any part the responsibility of the Navajo people or, in its origin, the result of a “longstanding land dispute” between the Navajo and the Hopi given the generations of peaceful coexistence between our peoples before outside forces “created” the land dispute. Notably:

- The actual origin of the land dispute was federal policy towards the Church of Jesus Christ of Latter Day Saints. In 1882, at the request of the local Bureau of Indian Affairs agent who was seeking authority to evict two Mormon missionaries working among the Hopi, President Chester Arthur signed an executive order establishing a reservation “for the use and occupancy of Moqui [Hopi], and such other Indians as the Secretary of the Interior may see fit to settle thereon.” At the time the reservation was created there were 300 to 600 Navajos living within its boundaries and approximately 1800 Hopis. President Arthur’s order, by its broad reference to “such other Indians,” clearly encompassed the Navajos who made up to one-quarter of the population. Even so, it was evident that little thought had been given to the actual land usage of the two tribes as the boundaries of the new reservation (known as the

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1882 Reservation) were artificially designated as a rectangle—one degree of latitude in width and one degree of longitude in height. Inside this artificial reservation there were over 900 Indian sites—the majority of which were Navajo.3

- After creating an irrational reservation designation, for suspect purposes, the Federal government then sought to divide the land for energy development. According to a history of the land dispute “[i]t was not repeated Hopi complaints about Navajo encroachment onto uninhabited 1882-area lands that drove the [Federal] government to action. It was the pressure of oil and gas companies to determine ownership of the area.” The “disputed lands” lie on top of one of the richest coal beds in the Western United States.4

- The Navajo Nation strongly opposed the relocation, which was not voluntary in nature, and offered numerous alternatives, generally in the form of land exchanges, that would have allowed Navajo families to remain on the land that they had inhabited for many generations. In light of Navajo opposition to the relocation, it is notable that the draft report uses “Settlement Act” as an abbreviation for the Navajo-Hopi Settlement Act of 1974 (Pub. L. No. 93-531, as amended), reinforcing the false concept that the Navajo Nation agreed to a settlement that included mandatory relocation of Navajo people, even though the only “settlement” was imposed by Congress and court order.5 In these comments, the Act will be referred to as the “Relocation Act” since its central purpose was to impose a mandatory relocation on approximately 15,000+ traditional Navajos from their ancestral land, consistent with titles of the 1980 and 1988 amendments to the Act.

Correction for Surveying Error and Additional Authorization. The draft report does not mention the surveying error which has effectively cost the Navajo Nation the right to select approximately 756 acres of land, at no cost, from its allocation of 250,000 acres from Bureau of Land Management (“BLM”) land. This error arose from a selection in Arizona that turned out, after an updated survey was completed, to be 756+ acres more than the Navajo Nation was told or thought it would be acquiring. The result is that the BLM believes that there are only approximately 128 acres remaining to be acquired at no cost to the Nation, while the Nation believes it is still entitled to approximately 884 acres. This may seem like a relatively small injustice in the scheme of things given all the other harm caused by the relocation, but it still merits correction. The restoration of this acreage would be very valuable to the Nation and was promised by the law.

As OIG has noted in this report, because the Relocation Act does not authorize the deselection of land previously selected to be taken into trust, the Navajo Nation obtained statutory authorization under the John D. Dingell, Jr., Conservation, Management, and Recreation Act to cancel some

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3 Whitson, supra, at 375 n.30, citing Healing v. Jones (II), 210 F. Supp. at 137 n.8 (“As revealed by extensive archeological studies, there were over nine hundred old Indian sites, no longer in use, within what was to become the executive order area but outside of the lands where the Hopi villages and adjacent farm lands were located. Most of these were Navajo sites. Tree ring or dendrochronological studies show that of a total of 125 of these Indian sites within the executive order area for which data was successfully processed, the wood used in the structures was cut during a range of years from 1662 to 1939. A considerable number of these specimens were cut and presumably used in structures prior to 1882. There is no convincing evidence of any mass migration of Navajos either into or out of the executive order area at any time for which the tree ring data were available.”).

4 Benedek, supra, at 134.

5 See former 25 U.S.C. § 640d-3; Sekaquaptewa v. MacDonald, 626 F.3d 113 (9th Cir. 1980).
of its land selections in New Mexico and replace them with new selections.\textsuperscript{6} In particular, that legislation cancelled certain selections made in 2015 and authorized the Nation to make an additional selection of up to 15,000 acres of BLM land.\textsuperscript{7} This should be clarified in the final report. The Nation also would like Federal support for a similar authority with regard to the Arizona over-selection.

\textbf{Congressional Considerations.} The draft report proposes three matters for Congressional consideration:

\textbf{Whether the selection of any remaining land (currently, 12,552 acres) should revert to the Navajo Nation, or an appropriate successor agency should be designated for this activity.} The report notes:

“ONHIR currently has land selection authority for the 12,552 acres (3.1 percent) remaining to be selected. Staff at ONHIR’s Flagstaff, AZ office told us that although ONHIR has authority to select the lands to be taken into trust for the Navajo Nation, ONHIR has always looked to the tribe to take the lead on land selection and has discouraged potential land selections where the parcel had limited potential value or serious issues, such as high risk of flooding.”

Notwithstanding ONHIR’s generous assessment of its administration of this responsibility, the Navajo Nation would like to reassume this authority, which it held pursuant to Section 11(c) of Public Law 93–531, as amended, for three years after July 8, 1980. It is not clear why the Nation originally had this authority for only a limited period, but it is paternalistic for this authority to continue to reside with ONHIR. As a matter of respect for tribal sovereignty, it should be restored to the Nation.

\textbf{Whether future land selections should be taken into trust as a mandatory trust acquisition, as provided for in the Settlement Act.} The draft report states that “[w]ithout congressional action, any acres remaining from the 400,000 acres that the Navajo Nation wants taken into trust after ONHIR’s closure would be considered a discretionary trust acquisition subject to BIA regulations under the Indian Reorganization Act (Pub. L. No. 73-383).” The Nation does not understand the basis for this assertion and considers this legally unwarranted. As much as the Nation has opposed the Relocation Act over the years, it still does not want to be shorted at the end of ONHIR’s life on one of the Act’s principal benefits, which is the mandatory acquisition into trust of certain lands. Even after ONHIR closes, the obligation to take land into trust on a mandatory basis survives.

Moreover, without further congressional action, ONHIR can only cease to exist when the President determines that its functions have been fully discharged (Relocation Act, Section 12(f)). Since land selections are one of ONHIR’s functions, as the report acknowledges, the President cannot properly determine that ONHIR has fully discharged its functions until ONHIR has made all authorized land selections.

\textbf{Whether the Navajo Nation should be given the option of restricted fee status versus trust


\textsuperscript{7} See id.
status in future land selections. The Navajo Nation does seek this option and appreciates that OIG has noted that this would not set a precedent.

Additional Proposed Consideration - Boundary Clarification. The Navajo Nation is entitled to select lands in New Mexico as reparation for lands lost due to the Relocation Act. Such land selections are subject to a restriction on distance from the Navajo Reservation boundary. While it seems logical that the reservation boundary is the boundary of any of the Navajo Nation chapters that make up the Navajo Nation, Federal officials have expressed uncertainty on this point. The Navajo Nation seeks clarification that the Navajo boundary includes the boundary of Navajo chapters in New Mexico.

"New Lands" Reference Clarification. The draft report on page 2 states the following: "Most of the lands selected and taken into trust in Arizona are known as the 'New Lands,' consisting of about 352,000 acres. Acquisition of these lands was completed in 1986, and the lands were taken into trust in 1987. Figure 1 shows locations of the two reservations and the New Lands." The Navajo Nation recommends revising the draft report to reflect that all lands selected and acquired in trust pursuant to the Relocation Act are New Lands—whether conveyed into trust from BLM or fee and whether located in Arizona or New Mexico. Thus, this includes not only the lands within the Nahata Dziil, a.k.a. "New Lands," Chapter, but also other New Lands elsewhere. The latter includes land in and near Flagstaff, such as where Twin Arrows is located, and in New Mexico, such as Paragon Ranch. This is significant because ONHIR administers all that land under the same mandate and standards under the Relocation Act, which does not just apply to only some of that New Land as shown on page 3 of the draft report. This also is consistent with the 1988 Relocation Amendments and the ONHIR Management Manual, which both refer to all lands acquired pursuant to the Relocation Act, not just those within the Natahá Dziil Chapter.8

Conclusion. The land selections are an important component of the Relocation Act. Before ONHIR is closed, all of the issues identified in the report and this memorandum should be fully addressed in close consultation and coordination with the Navajo Nation.

Sincerely,

[Signature]
Jonathan Nez, President
THE NAVAJO NATION

[Signature]
Myron Lizer, Vice-President
THE NAVAJO NATION

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8 See Relocation Amendments, Pub. L. 100-666, Section 4(b), 8, previously codified at 25 U.S.C. Section 640d-10(h); ONHIR Management Manual Section 1810.
Report Fraud, Waste, and Mismanagement

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