

October 7, 2010

Dear Ed Delgado, Councilman, and Patti Hoeft, Secretary of Oneida Business Committee:

On Tuesday, October 5, Madelyn Genskow and I, tribal members, met with Kevin Cornelius at Seven Generations Corporation to discuss the proposed waste to energy project. The start up is a 2.5 million grant, and 7GENS via the newly Formed state Incorporation, Oneida Energy, will borrow up to 19 million under a BIA guaranteed loan.

The Oneida Tribe is not the borrower, per se. However, Oneida Energy Corporation is supervised by the Business Committee and with Kevin Cornelius as agent, is tribally owned.

Kevin Cornelius told us that if the project failed, the Feds would pay the lender (bank or other institution, in this case Dougherty out of Minneapolis), but that Oneida Energy, Inc. would not have to pay the feds for the loan. KC did not provide verification that OE would not have to pay back Feds, ergo I looked for it, and found it.

The enclosed email from Phillip Viles, BIA Guaranteed Loans, says that the Feds would go after the borrower, i.e., Oneida Energy.

Trust and Verify is the approach that must be taken by the BC Supervising management and the GTC. In the past, there has been *trust without verification* and it has had dire financial consequences to the Tribe, and a loss of trust by tribal members.

The merit of the project is not the issue at hand, the issue is that in order to protect the resources of the Oneida Tribal members, Leadership must require verification from management, and must share that verification with GTC.


Yvonne Metivier

cc: MG, TD

sent to all B & C

Patte

Viles, Philip (Phil.Viles@bia.gov)

cocoparischannel@yahoo.com;

Date: Thu, October 7, 2010 10:20:24 AM

Cc:

Subject: RE: Oneida Tribal Member, aka old lady, to Answer Man

Notice the link to "Program regulations" at the bottom of my signature block. Your answer is contained in Subpart G. Notice especially:

§ 103.38 Is there anything else for BIA or the lender to do after BIA makes payment?

When BIA pays the lender on its claim for loss, the lender must sign and deliver to BIA an assignment of rights to its loan agreement with the borrower, in a document acceptable to BIA. Immediately upon payment, BIA is subrogated to all rights of the lender under the loan agreement with the borrower, and must pursue collection efforts against the borrower and any co-maker and guarantor, as required by law.

So, if we paid money under our guarantee, we would step into the shoes of the lender and "pursue collection efforts against the borrower".

Keep in mind that we are still in the application process; this office has not yet issued a guarantee.

Philip H. Viles, Jr., Chief, Division of Capital Investment

Office of Indian Energy & Economic Development

U.S. Department of the Interior

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Web page for the Loan Guaranty, Insurance and Interest Subsidy Program (with brochure link in middle of page)
Program regulations

From: Yvonne Metivier [mailto:cocoparischannel@yahoo.com]

Sent: Thursday, October 07, 2010 11:07 AM

To: Viles, Philip

Subject: Re: Oneida Tribal Member, aka old lady, to Answer Man

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The question is then, if the project goes south, does Oneida Energy have to pay back the Feds if the Feds cover the Loan with Doughtery? That is the key question for now.

Metivier

*Atti,
Oneida Energy is owned
by Oneida Tribe — YH*