

# Totem Times

JUNE/JULY 2015



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FORWARD PROGRESS**

## From the BOARD

By Chuck Denny, Chairman



Dear Shareholder,

We hope you will join us at the Annual Shareholders' Picnic, Sunday July 19th.

To better address our elders' requests and the difficulties logistically, it will be held at Ward Lake this year. This location will provide a nice picnic setting, facilities, and for those more energetic - an enjoyable walk through our beautiful rain forest.

Since the last newsletter in April, our Board of Directors' met on May 16th here in Saxman. We addressed some important business issues and were also able to meet our new contract Chief Financial Officer Mr. Mike Bryan in person. While here he was able to line out all of our Alaska Operations in his accounting expectations, and he was able to visit our community for a couple days. Mike is well underway in tackling the financial issues and preparing for multiple audits.

Our business challenges continue and will for some time. However we are now starting to actually see some positive forward progress. The management team is coming together and focused on the tasks at hand with small steps positively forward each day. Please keep them and all of us in your prayers.

Look forward to seeing you July 19th!

Chuck

## Irene Dundas' Labor of Love Helping Restore & Bring Home Cape Fox Cultural Items



**More than 100 years** after the people of Cape Fox village moved to Saxman to escape a small pox epidemic and pursue formal education for their children, the generations that followed remember their ancestors through the richness of their history, their stories and their cultural icons.

Cultural items from the old Cape Fox village were removed in 1899 by the Harriman expedition, organized by railroad tycoon Edward Harriman. The bulk of them were returned to Saxman in 2001 under the Native American Graves Protection and Repatriation Act (NAGPRA) of 1990 after 17 years of painstaking research to locate them for repatriation from museums and universities around the country.

One of our own, Cape Fox Board Director, and Secretary/Treasurer Irene Dundas was integral to that effort, and over 15 years later she still vividly recalls the repatriation project that ignited her passion for preserving and honoring the history of the Cape Fox people.

*"I have always been interested in my history,"* says Irene Dundas. *"It grounded me when I was a teenager."* As a teenager, Irene conserved and displayed a

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## Recent Graduate



### Lisa Dewitt-Narino

Cape Fox Corporation congratulates Lisa Dewitt-Narino of Ketchikan on her recent graduation from the University of Alaska Southeast. Lisa is the eldest daughter of Michael Dewitt of Saxman and Juneau. She has received a Bachelor of Liberal Arts degree, with an emphasis on Interdisciplinary Studies. In addition to finishing her degree, gaining a job with the State of Alaska, and moving to Juneau, Lisa gave birth to a baby all in the last month of the semester. **Congratulations Lisa!**



## 2015 Annual Shareholders' Picnic Sunday, July 19th at Ward Lake, Noon to 9pm

The Shareholders' Picnic and Gathering has always been an exciting time full of family traditions and catching up with one another. This annual event allows Cape Fox members to share food, stories, customs, and brings together an already close family-oriented community. Come join us for a fun filled day at Ward Lake!

**Free Shuttle** to Ward Lake begins at 10:00am from Saxman City Hall. The shuttle will pick on the hour at the following destinations: Saxman City Hall, Ketchikan Library, and The Plaza. Return trips will start at 4:00pm or as necessary.

# From CFC's President

Kathy Milton - CFC Board President

In my last update, I shared an overview of what a business "turnaround" is, and how we are taking measures to turn around our Corporation. Thank you to those who expressed interest and appreciation for the information that we've previously sent out to shareholders. I'm glad that you have found it to be helpful.

I'd like to share some more details of the turnaround process and also discuss some general financial information that continues to effect our day-to-day activities and our strategic plan moving forward.

As I highlighted in the last newsletter, a turnaround of this nature typically takes 1-2 years. For CFC, we have already taken a significant number of measures to stabilize the Corporation and keeps us moving forward toward this goal.

Cape Fox's businesses and operations are varied and complex, and there are many factors that must be addressed to successfully turn around our Corporation. Our primary focus has been addressing active litigation liabilities and correcting management and accounting issues. Other areas that have to be addressed include personnel and contract issues, risk management, improving competitiveness, and reducing our operating costs.



**Turn-Around Steps**

- 1. Leaders (Board) identify and acknowledge problems. **DONE**
- 2. Leaders consider and make changes in company management (estimated 6 months) **UNDERWAY**
- 3. Progressive Plan of problem-solving effort and changes to carry out (estimated 6 months) **UNDERWAY**
- 4. Implement plan of direction and successive changes in problem areas to result in a more successful company(s) and overall corporation improvement over a period of time (estimated 1 to 2 years)
- 5. Monitor the changes made over time for improvement trends until positive financial growth consistently occurs; and/or repeat the cycle on a continuous basis (estimated 1 to 2 years)

Fortunately, we've recognized the need for change and are making steady progress. The five general turnaround steps are highlighted in the graphic to the left, and checkmarks indicate our progress.

We are well into Step #2 with a contract CFO on board to lead our finance and accounting turnaround. He has been with us for about 10 weeks now and has already proven himself to be an asset. We've also conducted interviews for a new CEO and the Board is evaluating a number of potential candidates.

We continue through Step #3 with a plan to address the outstanding issues effecting CFC. This has included reducing costs, leaving vacancies open longer when possible, and bringing in contract accountants and legal professionals with specialty expertise to resolve problems as they arise.

As previously mentioned, a turnaround requires restructuring and making difficult decisions. Turnarounds can also be emotional because they frequently require cuts and decisions that affect personnel and corporate distributions.

Significant turnover in CFC's executive and financial management positions over the last three years has left the Corporation with significant challenges updating our financial records and billings. We've been extremely focused on improving our finances and have retained a team of senior-level accounting contractors to assist with billings (accounts receivable), expenses (payables), proper coding, allocations, and allowable costs. Despite a backlog, we're now making significant progress bringing billings and finances up-to-date.

Looking at the Corporation's financial figures from the last 10 years, you'll likely notice some impressive "gross revenue" numbers – in other words, the total amount of money that CFC generated without deducting operating expenses. But a closer look at the net profit line reveals that actual profit margins have been slim.

Past management had a hyper-focus on generating more revenue rather than balancing critical items such as general & administrative costs (G&A), overhead, gross & net profit, and return on investment (ROI). This is important because high revenues DO NOT necessarily equal or lead to high profits.

Our focus going forward is of course to have a healthy gross revenue number, but more importantly, to improve our actual profit or "net" revenue. Our ROI has been low and has actually gotten worse in recent years. We're committed to turning this trend around.

This is all part of the overall turnaround needed for CFC to survive. Last year, the bottom-line number in the audited financial annual report was negative due to lawsuit liability and a construction project with large losses. We've been working feverishly to deal with these contingencies and continue to work to resolve these past issues.

We are currently working to complete our audited financials for 2014. Part of the challenge has been correcting and updating past records to comply with stringent federal regulations. As we progress in our turnaround over the next few years, we have to be better than we were, more competitive than we are, and spend money very carefully to stay in business. Once we obtain a new CEO, we will all have to work closely together to map out where CFC goes. We'll also be focused on answering these following questions:

- What businesses are we good at, but more importantly, which ones are we EXCELLENT at? Are we seeing a sufficient return on investment (ROI) for each particular subsidiary business or asset? If not, we need to get out of that business!
- How can we be more competitive to continue winning bids and securing contracts for our subsidiary businesses?
- Are employees doing their jobs properly and providing a value?
- How do we get better in all areas, do things faster, cheaper, more effectively, and professionally?
- Would YOU hire us?

These questions will be some of our focus going forward, but right now, we're working to stay afloat and meet our daily liabilities. CFC has to first pay the bills before it gets to spend money – just like your own household bills and budget each month or year. This is a tough time with a lot of restless nights. Everyone must work together because our entire team – including our shareholders – is needed to get through this storm and be successful.

Thank you for your support, kind calls, prayers, and patience. Gunalcheesh!



## Financial Department Making Steady Progress

Mike Bryan, interim Corporate Financial Officer (CFO), is involved on a daily basis with helping clean up financial operations, develop process improvements, and move us forward. He currently has three large white boards on the walls of his office covered with notes about business and financial areas which can be improved, streamlined, and area where we can reduce costs.

As an interim CFO, he is contracted by CFC to address specific financial areas of concern until a permanent CFO is hired.

Before coming to Cape Fox, Mike spent many years serving as CFO for an organization in Washington, DC that provided Election Management services around the world. He supervised elections in such diverse places as Haiti after the earthquake, and Nicaragua, but his favorite place was Baghdad, Iraq. He also is in his 27th year involved with the Boy Scouts of America and holds the rank of Eagle Scout along with his son.



## Gov Financial Auditors

The Defense Contract Audit Agency (DCAA) performs all necessary contract audits for the Department of Defense (DoD) and provides accounting and financial advisory services regarding contracts and subcontracts to all DoD Agencies responsible for procurement and contract administration.



## Bucket List Adventure: Exploring Alaska's Tlingit country with Holland America

Kathy Witt - Travel/Lifestyle Writer

At the Beaver Clan House at Saxman Native Village – a shore excursion operated by Cape Fox Tours in Ketchikan – guests are greeted by a Tlingit elder, followed by song and dance by Tlingit, Haida and Tsimshian Native peoples in full regalia. With the drum keeping a steady beat, they dance before a backdrop of their clan symbol, the beaver, which stands on either side of a beaver screen. This screen, an intricate carving with a clever opening, would traditionally be in front of a clan house and identify those living in the house.

Among the songs performed are the chief's welcome song and the bird dance, which honors the Eagles and the Ravens, the two main moiety (last names) of the Tlingit people. This shore tour also includes a totem hand-carving demo and a discussion of the village totem poles.



To read the complete article by Kathy Witt, visit the website [www.examiner.com/article/bucket-list-adventure-exploring-alaska-s-tingit-country-with-holland-america](http://www.examiner.com/article/bucket-list-adventure-exploring-alaska-s-tingit-country-with-holland-america) Or, to learn more about the author visit her personal website at [www.kathywitt.com](http://www.kathywitt.com)

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# Labor of Love

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tunic made by her grandmother Martha Shields. She researched how to properly care for and display it by consulting with museum conservators and reading books on conservation and archiving. It was that project that led the then Cape Fox CEO Doug Campbell to assign her to the NAGPRA repatriation project and Irene became the corporations Repatriation Manager/Cultural Specialist.

*"Doug Campbell's wife was an anthropologist. She had written a research paper on my father's people, and he had me read that, and I got really into it," says Dundas. "I called all the universities, Chicago Field Museum, the Burke Museum, Harvard and Cornell Universities and asked them if they had totem poles in their collections. I told them Cape Fox Corporation was in the research process and sent them letters and asked them to send me an inventory of every Tlingit item that they had in their museum."*

*"We went over the inventory and looked to see what areas belonged to Cape Fox. We asked for photos and found some old photographs that Edward Curtis had taken in 1899 from other university or museum collections and were able to say yes, that totem pole belonged to the Cape Fox people."*

Tlingit protocol stipulates repatriation only of items belonging to one's own clan. The process involved proving right of possession. For Dundas, that meant researching how Edward Harriman came to Alaska, the route he took and what occurred during the journey.

*"Through the research, we discovered that while the expedition was in Juneau, the group visited a saloon and were talking amongst each other when someone told them of an abandoned village called Cape Fox and told them there were a lot of totem poles there," recalls Dundas.*

According to historical records, Harriman and the group traveled to Cape Fox village, landing on the beach in July of 1899. The Harriman family offloaded the crew, which included photographer Edward Curtis, who photo documented the area. The crew took down the totem poles, dismantled a clan house and gathered masks and other items found at the site. *"We know this thanks to a Smith College professor who in 1998 decided to create a reenactment of the Harriman expedition called The Harriman Expedition Retraced. It was part of a project to document change in Alaska over 100 years," says Dundas. "I saw that on the news and I said to myself, This is who took things from our village."*

Eventually, Dundas contacted Smith College and suggested a coordinated effort between all the museums across the nation. With some help from Alaska legislators and other political leaders to expedite the repatriation process, soon the Chicago Filed Museum, Harvard Peabody Museum, the Smithsonian National Museum of American Indian, the Burke Museum and Cornell University were involved.

The subsequent research and visits to the museums took years. Says Dundas, *"There was such a disconnect from the people of 1894 to the people born in the '20s - there was no one left still alive who could give us the history," she says. "So we got the 1920s census data, pulled death certificates, researched the Bureau of Indian Affairs records, went to Library of Congress and the Presbyterian mission in Philadelphia archives (Presbyterian missionaries were stringent in recording Saxman history). We started building genealogical records to tie back present day people with the people who were in the Cape Fox village."* That meant identifying clan houses, clan members, clan leaders and examining photographs of the totem poles in Cape Fox village.

Says, Dundas, *"In the archival photographs, you see the houses with the totem poles lined up and you can see what clan crests they are so you can say that bear crest we know today belongs to the Teikweidee brown bear people, and who are those people now, and which clan owns that now, and begin to connect the dots. We then researched who was the chief and who are his descendants."*

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# Federal Teams Continue Building Strong Organizations

## Concentric Methods

*Harold Mitchell - President*

**Concentric Methods (CM)** recently won a contract with the United States Army's Southern Regional Contracting Office. This \$1,582,787.00 contract requires CM to provide one Physical Therapist and three Physical Therapist Assistants for Winn Army Community Hospital at Fort Stewart GA. Further, CM added an Administrative Assistant to its United States Agency for International Development contract and a Summer Intern to its National Institutes of Health's Biosurety contract.

## CF Facilities Services

*Joseph Hunt - President*

**Cape Fox Facilities Services (CFFS)** has won a contract with National Institutes of Health (NIH). The NIH Scientific Technical and Other Professional Support Services (STOPS). This contract is staffing a variety of medical positions on a daily basis. CFFS has been providing qualified candidates within 24 hours of the request. CFFS a subcontractor and is teamed with Kelly Government Services on this contract.

## CF Government Services

*Fernando Pereira - President*

**Cape Fox Government Services (CFGS)** has a new President, Fernando Pereira who is meeting with customers of current contracts to strategically grow our business while expanding our relationship with these Government Agencies.

## NAVAR

*Joseph Hunt - President*

**NAVAR** was awarded a \$20M contract to support the Nuclear Regulatory Commission over five years. Our support includes Enterprise Wide Onsite Clerical, Secretarial and Administrative Assistant services across six locations throughout the United States.

## CF Federal Integrators

*Fernando Pereira - President*

**Cape Fox Federal Integrators (CFFI)** was awarded a contract for staffing administrative assistants at National Institute of Health (NIH) and a Traffic Safety Training Contract for Joint Base McGuire / Dix / Lakehurst, New Jersey. CFFI has submitted a proposal for staffing support at Army Tripler Hospital in Hawaii and is working diligently to win the re-compete of the U.S. Air Force Traffic Safety Contract managed by the U.S. Air Force Safety Center.

## CF Professional Services

*Harold Mitchell - President*

**Cape Fox Professional Services (CFPS)** recently won a proposal to provide add-on services to its current Pennsylvania Motorcycle Safety Program contract. The contract requires CFPS to provide transportation of SkidBike units for Pennsylvania Department of Transportation (PennDOT) as well as promotional events and activities.



## NAVAR Recognized As "Diamond" Partner At Stennis Gala

On April 18, 2015 National Aeronautics and Space Administration (NASA) invited our subsidiary, NAVAR, to the "Partners For Stennis" Annual Gala Event in Mississippi. NAVAR is proud to be a Partner for Stennis. Our contract enables NASA to be successful in their overall strategic mission at the Stennis Space Center. More specifically, our support enables Stennis to test engines that will take us to Mars and beyond.

Companies recognized at this year's gala were Diamond Partners NAVAR, Alutiiq, Bastion Technologies, Sierra Lobo, MTS, Stinger Ghaffarian Technologies; and Gold Partner was Hancock Bank; and the Bronze Partner was Highland.



*Left to Right: Cape Fox Corporate President Kathy Milton, NASA Astronaut Fred Haise, and NAVAR President Joseph Hunt.*

During the "Partners for Stennis" event Cape Fox and NAVAR employees were able to meet Mr. Fred Haise, a Former Astronaut, who received the Roy S. Estess Public Service Leadership Award. Mr. Haise was the lunar module pilot on Apollo 13 and has logged over 142 hours in space.

To Learn more about the "Partners For Stennis" visit their website at [www.partnersforstennis.org/](http://www.partnersforstennis.org/)



*Left to Right: Cape Fox Subsidiary Company Presidents, Harold Mitchell (CM and CFPS), Joseph Hunt (NAVAR and CFFS) and Fernando Pereira (CFGS and CFFI).*

# RES in Washington, DC

The National Center for American Indian Enterprise Development (The National Center) hosted its second regional Reservation Economic Summit (RES) in Washington, DC on June 15-19. The Summit featured extensive networking opportunities with many high-level government officials, business leaders, corporations, and tribal governments and leaders. Informative sessions, panels, and discussions were held on a variety of critical Native economic topics.

While at the Summit Cape Fox personnel were able to meet Mark Begich, former Democratic member of the U.S. Senate from the state of Alaska. Begich was first elected to the Senate in 2008 and lost his re-election bid in 2014. He held one of the most vulnerable Senate seats going into the 2014 election. Begich defeated William Bryk in the primary and lost to Daniel S. Sullivan (R) in the general election. He began his political career in the Anchorage Assembly, where he served from 1988 to 1998. Prior to his election to the U.S. Senate, he served as the Mayor of Anchorage from 2003 to 2009.



Cape Fox Presidents Joseph Hunt, Harold Mitchell and Fernando Pereira with Mark Begich, the Former Alaska Senator, while attending the Reservation Economic Summit (RES).

*"That was a wonderful project because not only did we connect all the clan houses and people that go into the clan houses but also we got Tlingit names that belong to specific clans," says Dundas. "We found place names for all the surrounding area and what Ketchikan means - a Tlingit name and trying to get it all documented. The information is at the Cape Fox Heritage Foundation. Our hope is to eventually acquire some funding to formally archive the collection's information and the genealogical data."*

*"Currently, almost everything has been repatriated, including 42-ft. tall totem poles. They are owned by the clans. They are in storage here until we can find a safe place to display them. Cape Fox village is our clan territory forever," says Dundas.*



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