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# Nuclear Tests Ravaged Their Home. Their Leaders Drained a Compensation Fund Dry.

Costly investments, purchases made by Bikini Atoll officials prompt questions from Washington after compensation payments stop

By *Dan Frosch* [Follow](#) and *Christine Mai-Duc* [Follow](#)

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For the people of Bikini Atoll, the several hundred dollars they got each year as compensation for U.S. nuclear tests that ravaged their tiny South Pacific islands was indispensable.

There were funerals, birthdays, medical costs and fuel costs that many of the approximately 7,000 Bikinians and their descendants said they struggled to cover in their adopted homes scattered across neighboring island communities and the U.S.

In February, for the first time since the quarterly payments began in 1987, checks didn't arrive. The local government, which is part of the Republic of the Marshall Islands, stopped issuing them after a trust fund established to cover its operating expenses sunk to \$100,000, from \$59 million in 2017. Costly purchases made by Bikini leaders, including a plane sitting idle at a Taiwan airport and land in Hawaii that hasn't been developed, drained the fund virtually dry.

"They depleted the fund that many Bikinians depend on," said Benetick Kabua Maddison, a Bikinian who heads a nonprofit serving the sizable Marshallese population in Springdale, Ark. "We don't know what the future will be."

Power is being rationed and government employees are no longer being paid on the island of Kili, where some 600 Bikinians now live and workers can make as little as \$3 an hour, according to people whose relatives reside there.



Benetick Kabua Maddison is a Bikinian who heads a nonprofit for people of Marshallese descent in Springdale, Ark.  
PHOTO: RANA YOUNG FOR THE WALL STREET JOURNAL

A local bank is suing hundreds who took out payday-style loans, with future trust payments as collateral, but are now defaulting.

In Washington, D.C., lawmakers are demanding to know where the money went and why the Interior Department, which formerly oversaw the trust fund, didn't intervene.

Asked by lawmakers about the emptying of the fund at a Senate hearing Thursday, Carmen Cantor, assistant secretary of insular and international affairs, said the Interior Department took the matter seriously and had referred it to the agency's inspector general.

A federal official with knowledge of the situation said he was interviewed by several Federal Bureau of Investigation agents in June about the trust. The FBI declined to comment on whether it was probing the matter.

Anderson Jibas, the Bikini government's mayor who has controlled the fund's disbursements since 2017, acknowledged that people were struggling.

"Yes, things are very difficult on Kili Island, and the Council and I are doing everything we can to help the People of Bikini," he said.



THE WALL STREET JOURNAL

He blamed the administrators of the trust for not letting him tap into a separate fund, also earmarked for Bikinians, to cover government expenses and resume payments.

Representatives of Delaware-based Arden Trust Company, hired by Jibas's administration to manage the trusts, didn't respond to requests for comment.

Jibas said the U.S. had never provided enough money to meet the needs of Bikinians and that the plane and Hawaiian property were investments.

"Some of these entrepreneurial projects have proven to be successful; others have been impacted by the Covid-19 pandemic and are still in development," he said. "But doing nothing and letting the trust funds naturally exhaust themselves was not an option."

## **Atoning for nuclear fallout**

What became a financial lifeline for the displaced Bikinian people and their government began as an attempt to atone for the radioactive fallout of a massive nuclear testing program in the



## South Pacific.

After World War II, U.S. officials evacuated residents of Bikini to the unoccupied atoll of Rongerik, 140 miles away, promising the relocation would be temporary and help end all wars. Over the next 12 years, the military detonated 23 nuclear weapons, leaving a mile-long crater in Bikini Atoll's coral reef lagoon and rendering the 2.37-square-mile chain of islands uninhabitable.

After many nearly starved, the Bikinians were eventually brought to the island of Kili, 450 miles from their home. In 2016, researchers found the groundwater on Bikini was still contaminated and its coconuts were radioactive.



Bikini Atoll residents carry their belongings as they prepare to evacuate ahead of a planned Army-Navy atomic bomb test in 1946. PHOTO: BETTMANN ARCHIVE/GETTY IMAGES



A mushroom cloud from the underwater Baker nuclear explosion in July 1946, as seen from Bikini Island. PHOTO: PICTURES FROM HISTORY/UNIVERSAL IMAGES GROUP/GETTY IMAGES

Congress established the Resettlement Trust for Bikinians in 1982 and appropriated \$110 million for it. The money was initially intended to clean up Bikini Atoll and repatriate its residents. When that proved too costly, the funds were instead designated to help operate the local government council, which oversees Kili, Bikini and Ejit—known as KBE.

Another \$75 million was deposited into a second fund, the Bikini Claims Trust, from which the KBE government disbursed quarterly payments to Bikinians and their descendants. The fund currently has \$29 million, according to the Jibas administration.

When the Resettlement Trust ran out of money, KBE officials started using funds from the Claims Trust to cover local government expenses, maxing out withdrawal limits and leaving nothing available for the payments to Bikinians.

For decades, the Interior Department oversaw the resettlement fund, setting the government's annual budgets and approving all additional expenses.

After taking office in 2016, Jibas began lobbying the U.S. government for more autonomy over the fund, saying the spending limits were rooted in colonialism and impeded investment.

The following year, the Interior Department agreed.



KBE Atoll Mayor Anderson Jibas testified during a U.S. Senate Committee on Energy and Natural Resources hearing in 2018. PHOTO: SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES

With U.S. oversight gone, trust statements and audits show Jibas and KBE's lawyer, former Interior Department employee Gordon Benjamin, went on a spending spree.

Among the purchases were a 34-passenger plane for \$3.25 million they hoped would jump-start scuba diving tourism. But leaders failed to secure a deal with the local airline to operate it, and when the Covid pandemic tanked travel, the plane was flown to an airport in Taipei, where it has sat in storage since 2021 at a cost of \$7,500 a month. Benjamin said the council

hopes to return the plane to the Marshall Islands soon and is working on an agreement with the airline.

The KBE government also spent \$4.8 million on 283 acres of land in Hilo, Hawaii. Purchased in 2019, the council had planned to subdivide it and build homes that could be sold or used to house Bikinians.

The project hasn't gotten off the ground. Doing so now would take millions more and likely up to a decade to complete, said Jared Gates, past president of Hawaii Island Realtors.

In an October 2019 letter viewed by The Wall Street Journal, Benjamin and Jibas asked Arden Trust to deposit \$50,000 into Jibas's personal savings account to pay for meetings with government officials and traditional celebrations. Benjamin said the funds went toward a prepaid debit card Jibas used for official expenditures.

Copies of checks written from the council's operations account, which draws its money from the resettlement fund, show Jibas and other local officials spent more than \$300,000 on travel, hotels and other community events over a period of several months in 2018. Checks, viewed by the Journal, include \$14,050.53 for a vacation for Jibas; \$33,950 for a new pickup truck for him; and \$1,500 for the mayor's medical checkup.



The Kili-Bikini-Ejit Council used \$4.8 million from the Bikini Resettlement Trust Fund to purchase this 283-acre plot in Hilo, Hawaii. PHOTO: NATHAN EAGLE/CIVIL BEAT

Benjamin said the \$14,000 covered plane tickets to California and meetings with Bikinians living there. He said it was customary for elected officials to get funding for vehicles. He said funding had been used in the past for U.S.-based medical expenses for certain Bikinians and partially covered a checkup Jibas got while overseas.



Last August, with the fund dwindling, Benjamin asked Arden Trust manager Mary Milligan to wire some \$280,000 quickly, saying Covid-19 was hurting Marshall Islands commerce, according to emails viewed by the Journal.

Milligan replied that the resettlement fund had fallen to \$172,000, and Arden could only disburse \$72,000 because the remaining \$100,000 was needed to keep the fund afloat.

Benjamin said Arden had led the KBE council to believe they could use funds from the claims trust for government operations, but later reneged, leading to the current shortfall. In May, Jibas said, the government unsuccessfully sought a \$2.5 million emergency distribution from the trust.

“What blows my mind is that every single expenditure we made, I had to send documentation so the Interior Department could see what we’re doing,” said Jack Niedenthal, an American expatriate who served as the trust liaison from 1986 until 2016 and lives in Majuro, the capital of the Marshall Islands. “The idea that they just spend whatever the trustee wires them, wherever they want to, it’s just astounding.”

Jibas attributed criticisms of his government’s spending to political opponents.

In written testimony to the Senate Energy and Natural Resources Committee Thursday, Jack Ading, the Marshall Islands’ foreign affairs minister, said his government hadn’t supported the Interior Department’s decision to give Bikini officials control over the trust and wants to put it into receivership.



Jack Niedenthal, center in blue, marches with his family and other protesters in May, in the Marshallese capital of Majuro, to demand the government put the KBE local government into receivership. PHOTO: CHEWY LIN



## No more ‘speaking beneath the waves’

With cash payments stalled, the total Bikinians owe the Bank of the Marshall Islands in delinquent loans is in the millions, said its attorney Alonso Elbon. The bank has stopped issuing trust-backed loans.

Without those funds, friends and relatives say Bikinians in the Marshall Islands are reeling.

“People do take care of each other,” said Giff Johnson, an American expat who edits the local newspaper on Majuro. “But you can’t just pull thousands and thousands of dollars out of people’s hands and not have people struggling.”

In June, Kili’s lone energy plant ran out of fuel because the KBE government couldn’t pay for it. The island lost power for days until the national government sent a boat with food, fuel and other supplies.

Johnson said several public protests have been held on Majuro since May, which are rare in a place where people are known to “speak beneath the waves,” a local saying that describes the Marshallese aversion to conflict.



Jessy Elmi, left, recently returned to the Marshall Islands to protest; Elmi’s grandmother, Jabkwon Aitap, seen here at the age of 15, was one of the original Bikinians who was evacuated from the island.

JESSY ELM I (2)

Jessy Elmi, who left the Marshall Islands when she was 18 and now lives in Florida, recently returned home to protest alongside locals including her sister, who is challenging Jibas in a coming election. Elmi's 71-year-old mother lives on Kili and has no income besides the payments, she said, and another sister's husband hasn't seen a paycheck from his job at the power plant since January.

"They've been wronged by being removed from their land and then they were wronged by somebody who they trusted in their community," she said.

—*Sadie Gurman contributed to this article.*

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