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**OFFICE OF THE LEGISLATIVE AUDITOR**  
STATE OF MINNESOTA

**FINANCIAL AUDIT DIVISION REPORT**

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# **Office of the Governor**

## **January 2011 through June 2013**

**January 16, 2014**

**Report 14-01**

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FINANCIAL AUDIT DIVISION

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## OFFICE OF THE LEGISLATIVE AUDITOR

STATE OF MINNESOTA • James Nobles, Legislative Auditor

January 16, 2014

Senator Roger Reinert, Chair  
Legislative Audit Commission

Members of the Legislative Audit Commission

The Honorable Mark Dayton, Governor  
Office of the Governor

This report presents the results of the following two reviews of the Office of the Governor:

- **Section One** presents the results of our internal controls and compliance audit of the Office of the Governor for the period from January 1, 2011, through June 30, 2013. The objectives of this audit were to determine if the office had adequate internal controls for its financial operations and complied with finance-related legal requirements.

We discussed the results of the audit with the office's staff at an exit conference on December 12, 2013. This audit was conducted by Scott Tjomsland, CPA, CISA (Audit Manager), Kathy Rootham (Auditor-in-Charge), and auditors Lori Leysen and Abdul Suleyman, CPA.

- **Section Two** presents our conclusion about whether state law allows the Governor to use a state airplane for trips to political events, even if the costs are reimbursed by the Governor's campaign organization.

We received the full cooperation of the office's staff while performing these reviews.

A handwritten signature in black ink that reads "James R. Nobles".

James R. Nobles  
Legislative Auditor

A handwritten signature in black ink that reads "Cecile M. Ferkul".

Cecile M. Ferkul, CPA, CISA  
Deputy Legislative Auditor



# Table of Contents

	<u>Page</u>
Report Summary .....	1
<b>Section One. Audit of the Office of the Governor .....</b>	<b>3</b>
Office Overview .....	3
Objective, Scope, and Methodology .....	4
Conclusion .....	5
Findings and Recommendations .....	7
1. The Office of the Governor entered into a contract for legal services that did not include certain terms and conditions required by state statute and policy .....	7
2. The Office of the Governor did not adequately monitor employees' accrual of some travel benefits .....	7
<b>Section Two. The Governor's Use of a State Airplane .....</b>	<b>9</b>
Conclusion .....	9
Background .....	9
Discussion .....	10
Recommendation .....	13
<b>Agency Response .....</b>	<b>15</b>

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# Report Summary

## Section One Audit of the Office of the Governor

### Conclusion

The Office of the Governor generally had adequate internal controls to ensure that it safeguarded its financial resources, accurately paid employees and vendors in accordance with management's authorizations, complied with finance-related legal provisions, and created reliable financial data. For the items we tested, the office generally complied with finance-related legal requirements. However, the office had some internal control weaknesses and instances of noncompliance.

### Findings

- The Office of the Governor entered into a contract for legal services that did not include certain terms and conditions required by state statute and policy. ([Finding 1, page 7](#))
- The Office of the Governor did not adequately monitor employees' accrual of some travel benefits. ([Finding 2, page 7](#))

## Section Two The Governor's Use of a State Airplane

### Conclusion

The state has not established a consistent standard for determining whether it is lawful for the Governor to use a state airplane to travel to political events. Generally in state government, public money and other public resources may only be used for official government purposes. However, it has been accepted that the state may provide the Governor with security protection even when the Governor is participating in private activities, including political events. In addition, by law, the state provides the Governor with a motor vehicle (driven by a state trooper), which may be used for all travel, including travel to political events. If it is allowable for the Governor to use a state airplane to travel to political events, that use should also be authorized in law, and the law should expressly require reimbursement from the appropriate political organization.

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## Section One

# Audit of the Office of the Governor

## Office Overview

The Office of the Governor is a constitutional office in the executive branch of state government.<sup>1</sup> The office operates principally under the authority of *Minnesota Statutes* 2012, Chapter 4. The Governor is the state's chief executive and is responsible for the general direction, administration, and supervision of state government's executive branch. The Lieutenant Governor's role is to assist the Governor in carrying out the functions of the executive branch.

The Governor and Lieutenant Governor are jointly elected for a four-year term. Mark Dayton and Yvonne Prettner Solon were elected Governor and Lieutenant Governor, respectively, in November 2010.

The office receives a General Fund appropriation to finance the majority of its operating activities. The Department of Public Safety provided executive protection, and the Office of MN.IT Services<sup>2</sup> provided computer network and database support; both agencies funded these expenses from their own appropriations. The Governor's office also received services from the Department of Administration for groundskeeping at the Governor's residence.

In addition to its General Fund appropriation, 20 state agencies and the Metropolitan Council provided resources to the office to support office costs for legislative and cabinet affairs and federal affairs activities. State law limited the amount of this support to \$720,000 per fiscal year for the biennium ending June 30, 2013, and required an annual report to certain legislators and legislative committees detailing these costs.<sup>3</sup>

From January 2011 through June 2013, the office also received about \$50,000 from private parties and other state agencies to offset the costs related to their use of the Governor's residence for events and meetings.

Table 1 summarizes the office's receipts and expenditures for fiscal years 2012 and 2013.

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<sup>1</sup> *Minnesota Constitution*, Article V.

<sup>2</sup> *Laws of Minnesota* 2013, chapter 134, section 30, changed the name of the Office of Enterprise Technology to the Office of MN.IT Services.

<sup>3</sup> *Laws of Minnesota* 2011, First Special Session, chapter 10, article 1, section 3. The reports are available from the Legislative Reference Library at the following Web site:

<http://www.leg.state.mn.us/edocs/edocs.aspx?oclnumber=45612816>

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**Table 1**  
**Appropriations, Receipts, and Expenditures**  
**July 1, 2011, through June 30, 2013<sup>1</sup>**

<u>Appropriations and Receipts</u>	Fiscal Years	
	<u>2012</u>	<u>2013</u>
General Fund	\$3,195,000	\$3,195,000 <sup>2</sup>
Interagency Receipts	<u>720,000</u>	<u>720,000</u>
Total Sources	<u>\$3,915,000</u>	<u>\$3,915,000</u>
<u>Expenditures<sup>3</sup></u>		
Payroll	\$2,948,232	\$3,219,928
Purchased Services	561,573	507,161
Supplies/Equipment	65,585	88,386
Other Expenditures	<u>137,967</u>	<u>162,154</u>
Total Expenditures	<u>\$3,713,357</u>	<u>\$3,977,629</u>

<sup>1</sup> The scope of our audit also included fiscal year 2011 activity from January 1, 2011, through June 30, 2011.

<sup>2</sup> \$20,405 was not spent and reverted back to the General Fund.

<sup>3</sup> The office recorded receipts for the use of the Governor's residence and other reimbursements as expenditure reductions in the accounting system.

Source: State of Minnesota's accounting system.

Our prior audit of the office did not report any internal controls weaknesses or instances of noncompliance.<sup>4</sup>

## Objective, Scope, and Methodology

The objective of our audit of the Office of the Governor for the period January 1, 2011, through June 30, 2013, was to answer the following questions:

- Did the Office of the Governor have adequate internal controls to ensure that it safeguarded its financial resources, accurately paid employees and vendors in accordance with management's authorizations, complied with finance-related legal provisions, and created reliable financial data?
- Did the Office of the Governor comply with significant finance-related legal requirements?

To answer these questions, we gained an understanding of the office's financial policies and procedures. We considered the risk of errors in the accounting records and potential noncompliance with relevant legal requirements. We obtained and analyzed the office's accounting data to identify unusual trends or significant changes in financial operations. We examined samples of financial

<sup>4</sup> Office of the Legislative Auditor, Financial Audit Division Report 11-15, *Office of the Governor*, issued May 26, 2011. The report covered the period from January 2009 through December 2010.

transactions and reviewed supporting documentation to test whether the office's controls were effective and if the transactions complied with laws, regulations, policies, and contract provisions.

We conducted the audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective.

We used various criteria to evaluate internal controls and compliance. We used, as our criteria to evaluate agency controls, the guidance contained in the *Internal Control-Integrated Framework*, published by the Committee of Sponsoring Organizations of the Treadway Commission.<sup>5</sup> We used state laws, regulations, and contracts, as well as policies and procedures established by the office and the Department of Management and Budget as evaluation criteria over compliance.

## Conclusion

The Office of the Governor generally had adequate internal controls to ensure that it safeguarded its financial resources, accurately paid employees and vendors in accordance with management's authorizations, complied with finance-related legal provisions, and created reliable financial data. For the items we tested, the office generally complied with finance-related legal requirements. However, the office had some internal control weaknesses and instances of noncompliance.

The following *Findings and Recommendations* provide further explanation about the exceptions noted above.

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<sup>5</sup> The Treadway Commission and its Committee of Sponsoring Organizations were established in 1985 by the major national associations of accountants. One of their primary tasks was to identify the components of internal control that organizations should have in place to prevent inappropriate financial activity. The resulting *Internal Control-Integrated Framework* is the accepted accounting and auditing standard for internal control design and assessment.

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## Findings and Recommendations

**The Office of the Governor entered into a contract for legal services that did not include certain terms and conditions required by state statute and policy.**

### Finding 1

The office retained a private law firm (to act as special counsel regarding the July 2011 state government shutdown) by executing a signed engagement letter instead of the state's standard professional/technical contract. The engagement letter did not specify an expiration date, did not limit the compensation amount, and did not contain certain statutory contract requirements and other standard contract clauses required by state policy designed to protect the state's interests.<sup>6,7</sup> In addition, the office did not encumber funds for the services, as required by state statute.<sup>8</sup> In June 2011, the Governor signed the engagement letter for services to be provided without charge (pro bono). In August 2011, the Governor signed an amendment that changed the engagement from pro bono to billable services, and the office paid the firm about \$77,000 for those services.

#### *Recommendation*

- *The office should develop procedures to ensure that it prepares and executes contracts for professional/technical services that comply with state statutes and state policy.*

**The Office of the Governor did not adequately monitor employees' accrual of some travel benefits.**

### Finding 2

The office did not adequately monitor employees' accrual of benefits issued by lodging facilities for state-paid travel. Our testing of a sample of travel reimbursements identified one employee who had accrued benefits issued by a hotel for state-paid travel. Additional testing of that employee's other travel reimbursements found three more instances where the employee accrued benefits from hotels for state-paid travel. Office staff told us that they reviewed business expense reimbursements for frequent flyer mile accumulation, but had not noticed the accrual of benefits issued by lodging facilities. The employee said that they were unaware that they had hotel reward accounts and had not used the hotel rewards.

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<sup>6</sup> *Minnesota Statutes* 2013, 16C.05, subd. 5.

<sup>7</sup> Minnesota Department of Administration's Professional/Technical Services Contract Manual.

<sup>8</sup> *Minnesota Statutes* 2013, 16A.15, subd. 3, and 16C.05, subd. 2.

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State policy,<sup>9</sup> based on state statute,<sup>10</sup> prohibits employees from personal use of benefits issued by lodging facilities as a result of state-paid travel. Without adequate monitoring, employees might use the accrued benefits for personal use or select lodging based on the value of benefits provided rather than on the cost of the lodging to the state.

*Recommendation*

- *The office should develop procedures to monitor compliance with state policy prohibiting the personal use of travel benefits.*

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<sup>9</sup> Minnesota Management and Budget Policy PAY0021, *Employee Business/Travel Expenses – Benefits Derived from Travel*.

<sup>10</sup> *Minnesota Statutes* 2013, 43A.38, subd. 2.

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## **Section Two**

# **The Governor's Use of a State Airplane**

The Office of the Legislative Auditor (OLA) was asked in April 2013 to determine whether state law allows the Governor to use a state airplane for trips to political events, even if the costs are reimbursed by the Governor's campaign organization. We decided to address the issue during our regularly scheduled audit of Governor Dayton's Office.<sup>11</sup> Because the issue is complex, we are presenting our conclusion and recommendation separate from the other audit results.

## **Conclusion**

The state has not established a consistent standard for determining whether it is lawful for the Governor to use a state airplane to travel to political events. Generally in state government, public money and other public resources may only be used for official government purposes. However, it has been accepted that the state may provide the Governor with security protection even when the Governor is participating in private activities, including political events. In addition, by law, the state provides the Governor with a motor vehicle (driven by a state trooper), which may be used for all travel, including travel to political events. If it is allowable for the Governor to use a state airplane to travel to political events, that use should also be authorized in law, and the law should expressly require reimbursement from the appropriate political organization.

## **Background**

The Minnesota Department of Transportation (MnDOT) maintains and operates airplanes that state government officials and employees use to travel on official state business. During the time period from January 3, 2011, through June 30, 2013, Governor Dayton used a state airplane for 55 trips. Governor Dayton's Office acknowledged that three of the trips involved the Governor's participation in political events, as well as official state-business events.

On May 7, 2013, the Minnesota Jobs Coalition filed a complaint with the Minnesota Campaign Finance and Public Disclosure Board about the three trips. The complaint alleged that Governor Dayton's campaign committee violated state law by not disclosing "unpaid campaign travel expenses" related to the three trips.<sup>12</sup> In response to the complaint, Governor Dayton's campaign committee acknowledged its responsibility to reimburse the state for a share of the costs associated with each of the three trips and acknowledged its failure to report the

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<sup>11</sup> The Office of the Legislative Auditor audits the state's constitutional offices, including the Governor's Office, twice during each four-year term, once in the middle and again at the end.

<sup>12</sup> The Minnesota Jobs Coalition is a state independent expenditure political committee. Governor Dayton's campaign organization is the Mark Dayton for a Better Minnesota Committee.

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travel costs as “campaign expenses.” Governor Dayton’s campaign committee amended its 2012 year-end Report of Receipts and Expenditures to reflect the expenses. On September 10, 2013, the Campaign Finance and Public Disclosure Board concluded that the incomplete reporting by Governor Dayton’s campaign committee resulted from mistakes and not willful violations, and the board did not impose a civil penalty on the Dayton campaign committee.

The table below shows the date of each trip, the cities where the state airplane landed, and the amount the state was reimbursed by the Dayton campaign committee. Each trip started and ended at Holman Field in St. Paul.

Date	Airplane Flight to:	Dayton Campaign Committee Reimbursement to the State	
		Reimbursement Amount	Percentage of Total Cost
September 28, 2012	Willmar	\$ 612	50%
October 20, 2012	Brainerd	\$ 684	50%
October 24, 2012	Bemidji and International Falls	\$2,118	64%

Each of the three trips involved a mix of official and political activities; however, the flight from Bemidji to International Falls on October 24, 2012, was solely to attend a political event. In addition, an official from the Dayton campaign committee accompanied the Governor on the airplane throughout the October 24 trip. Since the campaign official did not travel with the Governor to participate in state government business, it was a violation of state law and MnDOT policy for the campaign official to travel on the state airplane.

## Discussion

### State Law and Policy

State law requires that state money and property be used only for official state government business. The most relevant state law in considering whether it is appropriate for a Governor to use a state airplane to attend political events is contained in the state’s “Code of Ethics for Employees in the Executive Branch,” which says, in part:

An employee shall not use or allow the use of state time, supplies or state-owned or leased property and equipment for the employee's private interests or any other use not in the interest of the state, except as provided by law.<sup>13</sup>

<sup>13</sup> *Minnesota Statutes* 2013, 43A.38, subd. 4.



State policies governing the use of MnDOT's airplanes are contained in MnDOT's "Business Manual."<sup>14</sup> The chapter concerning air travel services contains the following statement:

MnDOT... provide[s] air transportation for state personnel and others who are performing official, state-related business as determined by the requesting agency. Elected officials and state employees are encouraged to utilize MnDOT's aircraft whenever it is most cost effective in conducting official business outside the metropolitan area. Flying increases employee productivity and is often the most cost efficient means of travel when comparing driving time, lodging and meal expenses....

MnDOT's policy allows state agencies to request that "guests" accompany state officials on a trip "when conducting official state business." Typically, guests include officials and employees from other government jurisdictions, but they sometimes include private individuals who are assisting state officials with state government issues (e.g., issues related to economic development, disaster recovery, etc.). MnDOT bills state agencies for their use of a state airplane and, according to its policy, agencies "may in turn seek reimbursement from their guest passengers."

Neither state law nor MnDOT policy answer the question: Is there an official, state-related public purpose that would allow the Governor to use a state airplane to attend a political event? Addressing that question was the primary objective of our review.

## **Security and Safety Considerations**

Both the Minnesota Office of the Attorney General and OLA agreed in 1999 that there is a public purpose in providing security protection to the Governor seven days a week, 24 hours a day, even when a Governor is involved in personal—i.e., unofficial—activities.<sup>15</sup> The two offices were addressing whether it was lawful for the State of Minnesota to incur security costs related to Governor Ventura traveling to various cities outside of Minnesota to promote his book, *I Ain't Got Time to Bleed*. The Attorney General's opinion said in part, "While facilitating the Governor's promotional book tour is not a public purpose, the protection of the Governor at all times is a valid public purpose...." In a letter dated July 29, 1999,

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<sup>14</sup> *Minnesota Department of Transportation Business Manual*, Chapter 3, Air Travel Services.

<sup>15</sup> Officers of the State Patrol, who are employees of the Minnesota Department of Public Safety, are authorized by state law to provide security for the Governor. See *Minnesota Statutes* 2013, 299D.03, subd. 1(10).

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OLA agreed that the state has the authority to provide security for a Governor even when the Governor is engaged in private activities.<sup>16</sup>

Neither Governor Dayton's office nor the Department of Public Safety asserts that the Governor must fly in a state airplane to ensure his security. However, the Governor's staff told us that they feel there is added assurance of safety in using a state airplane. By using a state airplane, the Governor's staff feel they have more control over what equipment is used and who flies the airplane. The Governor's staff also noted that the Governor's travel can include a mix of official (public purpose) events with political events, making it inefficient to switch from a state airplane to a private charter airplane.

### **Use of Other State Property**

In addressing the Governor's use of a state airplane to travel to political events, we thought it was important to consider the laws, policies, and practices governing the use of other state property made available to the Governor. We specifically examined use of the Governor's residence and state motor vehicles.

**Governor's Residence.** *Minnesota Statutes* 2013, 16B.27, subd. 1, says: "The Governor's residence must be used for official ceremonial functions of the state, and to provide suitable living quarters for the Governor of the state." In our 1999 letter about security for Governor Ventura's book tour, we noted the following:

...the job of a Governor is different and significantly more complex than that of any other state official or employee. Being Governor involves a mixing of personal and official life, as manifest in the fact that the Governor lives with his family at a state-provided house—the Governor's residence. At the residence, the Governor and his [or her] family live their personal lives and conduct official functions.<sup>17</sup>

Because the residence is to "provide suitable living quarters" for the Governor, it has been considered acceptable for the Governor to host private (not official) dinners for friends and family at the residence, as long as the costs were covered by the Governor from personal funds.<sup>18</sup> In fact, state law indirectly authorizes the residence to be used for private events sponsored by nonstate organizations. *Minnesota Statutes* 2013, 16B.27, subd. 6, says: "A nonstate entity using the

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<sup>16</sup> We did differ to some degree with the Attorney General's opinion. Specifically, we expressed concern that the state was incurring additional security costs because Governor Ventura was involved in a private money-making activity, which was beyond the kind of private activities a Governor would normally be involved in while holding office. We suggested that either the Governor or his book publisher should cover any travel costs incurred by the security officers that accompanied the Governor on the book tour.

<sup>17</sup> The OLA letter is available at: <http://www.auditor.leg.state.mn.us/fad/1999/book-cov.htm>.

<sup>18</sup> Governors are also required to cover the costs of daily family meals at the residence, as well as costs connected to other private events.

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Governor's residence must pay the state for all direct and indirect costs associated with use of the facility."<sup>19</sup> However, it is generally understood, although not codified in law, that the Governor should not use the residence for political events (for example, fund-raising events), even if the costs are covered by the Governor or a political organization. To avoid a perception of inappropriate use, Governor Pawlenty decided not to use the residence as a venue to host guests to the National Republican Convention held in St. Paul in 2008.

**State Motor Vehicles.** The state provides the Governor with a motor vehicle that is driven by a state trooper. While a Governor may use a private vehicle at his or her discretion, for security reasons, in recent years, the state vehicle has been used for almost all of the Governor's ground transportation in Minnesota. *Minnesota Statutes* 2013, 16B.55, subd. 5, says that the vehicles assigned to the Governor and Lieutenant Governor are exempt from the restrictions applied to other state vehicles, such as personal use and transportation to or from an employee's residence.<sup>20</sup> There is no comparable statute concerning the Governor's use of a state airplane.

#### *Recommendation*

- *We recommend that the Legislature enact a law to clarify whether it is lawful for the Governor to use a state airplane to attend political events. If it is made lawful, the law should expressly require reimbursement from the appropriate political organization. In the meantime, we recommend that Governor Dayton encourage his office staff and campaign staff to schedule his travel in ways that strictly limit the use of a state airplane to attend political events. When the primary purpose of the trip is to attend a political event, the Governor's campaign organization should provide the Governor with a private airplane. In addition, neither MnDOT nor the Governor's Office should allow campaign officials or staff to travel on a state airplane.*

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<sup>19</sup> The Governor's residence has been used for such events as a high school dance, wedding receptions, and nonpolitical fundraising activities.

<sup>20</sup> Though it was not a requirement, Governor Pawlenty reimbursed the state for mileage involved in travel to political events. The determination of which events were considered political and how much mileage was involved were left to Governor Pawlenty and his staff. Governor Dayton has not made similar reimbursements.

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# STATE OF MINNESOTA

## Office of Governor Mark Dayton

130 State Capitol ♦ Rev. Dr. Martin Luther King Jr. Boulevard ♦ Saint Paul, MN 55155

January 14, 2014

Mr. James Nobles  
Legislative Auditor  
Office of the Legislative Auditor  
First Floor South, Centennial Office Building  
658 Cedar Street  
St. Paul, Minnesota 55155

Dear Mr. Nobles:

Thank you for the opportunity to respond to the findings and recommendations in the audit of the Governor's Office for the period January 1, 2011 through June 30, 2013. We fully understand the responsibility of the Governor's Office to establish and maintain policies and procedures that ensure internal controls of fiscal activities. We believe that this Office has constructed and implemented strong fiscal controls to ensure good financial management and consistently proper operations.

With regard to the report's recommendations, we provide the following responses.

### **RECOMMENDATIONS AND RESPONSES TO SECTION ONE**

#### **Recommendation #1**

*The office should develop procedures to ensure that it prepares and executes contracts for professional/technical services that comply with state statutes and state policy.*

#### **Response**

The Office has procedures in place to ensure that it prepares and executes professional/technical (PT) services in full compliance with state statutes and state policy. The one contract cited in this audit was for legal services, which were required during the time period before and during the State Government shutdown in July 2011. Under the severe pressures of time and unexpected circumstances, our Office did not follow its usual procedures for processing a professional services contract. I am confident that this error will not happen again.

#### **Recommendation #2**

*The office should develop procedures to monitor compliance with state policy prohibiting the personal use of travel benefits.*

#### **Response**

This Office has long-standing procedures to closely monitor employees' travel and to ensure that they do not use frequent flyer miles accrued from state business for their personal travel. During this audit, we first learned that one employee had accounts with two hotel chains, which allowed him (or her) to earn points by staying at those hotels. The employee did not know that these points were being earned, nor did he (or she) ever use the points. After being informed of this error, the employee closed the two accounts. The employee did not benefit personally from any state travel.

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After this experience, we have clarified our office policy so that it applies to all travel benefits accrued on state business. We also have made all Office employees aware of this policy. In the future, if a staff member accidentally earns personal travel benefits for state travel, we will take immediate action to reverse the benefit.

## **RECOMMENDATIONS AND RESPONSES TO SECTION TWO**

### **Recommendation #1**

*We recommend that the Legislature enact a law to clarify whether it is lawful for the Governor to use a state airplane to attend political events. In the meantime, we recommend that Governor Dayton encourage his office staff and campaign staff to schedule his travel in ways that strictly limit the use of a state airplane to attend political events. When the primary purpose of the trip is to attend a political event, the Governor's campaign organization should provide the Governor with a private airplane. In addition, neither MNDOT nor the Governor's Office should allow campaign officials or staff to travel on a state airplane.*

### **Response**

After his extensive use of both government and privately-chartered airplanes over the past 38 years, the Governor believes strongly that the consistent reliability of government planes and pilots greatly exceeds that possible from private charter services. Furthermore, the governor's security officers, for reasons of safety, prefer that the Governor fly on state planes because they have greater familiarity and confidence in the equipment and the pilots, and because they are better able to coordinate with state pilots and the state patrol providing local ground transportation.

This Office, therefore, established a policy to reimburse the State entirely for any additional costs incurred when the Governor's air travel included both official and non-official business. We modeled our policy after the practice of federal administrations, which use government-owned and -operated airplanes for all air travel by the Chief Executive and other senior executives, and then reimburse the government for the costs attributable to any political events.

Our policy thus called for the Governor's political committee to fully reimburse the state for any air travel costs incurred by adding political activities to travel for state business. In no circumstance do taxpayers bear any costs for a state plane used for the Governor's political travel.

The Audit references three instances where political activities were added to the Governor's schedule of official events in Greater Minnesota, which required air travel. In the two instances in which the political and official activities occurred in the same area, the Governor's political committee paid for 50% of the total cost of the plane. In the third instance, in which the Governor flew to Bemidji for an official meeting to which was added a political event and after which he flew to International Falls for a political dinner, his political committee paid for 64% of the total cost of that day's air travel: 50% of the costs from St. Paul to Bemidji, and 100% of the additional costs from the travel to International Falls.

In all three instances, the Office's intentions and actions were to reimburse the State fully for any airplane costs incurred by the additions of political activities in locations proximate to the sites of official state business. In regard to the trip to Bemidji and International Falls, a campaign staffer accompanied the Governor on the flight. This was an error and will not happen again.

Mr. James Nobles  
January 14, 2014  
Page 3

If the Legislature were to enact a law, which made explicit the purposes for which the Governor could and could not use a state plane, the Governor would, of course, follow that law. In its absence, the Office intends to continue to require his political committee to pay its pro rata share of costs, when the Governor's plane trips combine political and official business. If the Governor travels by air solely for political purposes, his campaign will charter an airplane from a private charter service.

To repeat, the state will not, under any circumstances, incur additional costs for any trip involving a state plane for non-state business. In fact, the pro-rata formula in use often reduces the costs to the state that result from combining official state and non-state business.

The Governor's political committee has adopted a policy similar to the one attributed above to Governor Pawlenty. His committee reimbursed the State in December 2013, for all miles traveled to political events in calendar year 2013.

Sincerely,

A handwritten signature in black ink, appearing to read "Tina Smith", with a stylized flourish at the end.

Tina Smith  
Chief of Staff