

MINNESOTA VETERANS HOMES -
MINNEAPOLIS HOME

SPECIAL REVIEW OF AN EMPLOYEE
SELLING STATE ASSETS FOR PERSONAL GAIN

MARCH 1993

Financial Audit Division
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State of Minnesota

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STATE OF MINNESOTA

OFFICE OF THE LEGISLATIVE AUDITOR

CENTENNIAL BUILDING, ST. PAUL, MN 55155 • 612/296-4708

JAMES R. NOBLES, LEGISLATIVE AUDITOR

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Legislative Audit Commission

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Mr. James Main, Chair
Minnesota Veterans Home Board

Members of the Minnesota Veterans Home Board

Mr. Donald Mills, Administrator
Minnesota Veterans Home - Minneapolis

Audit Scope

We conducted a special review of allegations that a former employee of the Minnesota Veterans Home - Minneapolis, Rodger Coppa, sold state property for his personal gain. Other employees of the home discovered documents which indicated that Mr. Coppa sold wooden craft items constructed at the home, and asked the buyers to make the payments to him personally.

Our review addressed the following issue:

- Did Mr. Coppa sell state property and personally benefit from the sale of the items?

Audit Techniques

We reviewed purchase invoices and receipt deposit records authorized by Mr. Coppa for the home. We reviewed Mr. Coppa's correspondence and telephone messages. In some instances, we contacted individuals cited in Mr. Coppa's communications documents and obtained copies of their cancelled checks. We took sworn testimony from Mr. Coppa. We also interviewed home employees, some home residents, and volunteers.

Background

Mr. Rodger Coppa was the Volunteer Services Coordinator at the Minnesota Veterans Home - Minneapolis from January 11, 1984 through his termination on September 1, 1992. His duties included soliciting and collecting charitable gambling funds from various veterans' groups. He also recruited and directed other volunteer efforts. In addition, Mr. Coppa was responsible for the woodshop.

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Volunteers in the woodshop made items such as Minnesota clocks, banks, and decorative tulips for gifts to veterans organizations and their memberships. These items were also sold at conventions of the various veterans organizations. Items made by the volunteers are the property of the home. Proceeds from the sale should be deposited into the woodshop account. The account is supposed to be used to purchase supplies for the woodshop.

Before August 1991, residents used the woodshop as part of the recreational therapy program. The residents worked on projects under the supervision of a recreational therapist. The items made became the property of the residents. As such, the residents could keep the items, or use them as gifts. The residents also worked on items sold for the benefit of the woodshop. Since August 1991, residents have not been allowed to use the woodshop. Instead, woodshop volunteers prepare wood items for assembly by residents at the request of the recreational therapy director. The residents assemble and paint the projects through the recreational therapy program in the residents' buildings. The items made by the residents are theirs to keep. The residents were not under Mr. Coppa's supervision.

Mr. Coppa received at least \$1,150 from selling wooden decorative tulips, clocks, and a hutch made at the home beginning in April 1991. The price of the tulips varied, but was usually \$1 to \$2. The tulips were made from scrap lumber donated to the home. The clocks were sold for \$15 and were made from wood purchased by the home. Mr. Coppa received \$150 for a hutch built for a former home employee. Mr. Coppa stated that he bought the materials and had a few residents build the hutch. The checks were made payable to and endorsed by Rodger Coppa. There is no record of the checks deposited into the woodshop account. The items sold were state property. The proceeds from the sale should have been deposited into the woodshop account. Mr. Coppa stated that residents and volunteers made the items at the woodshop. He stated that he sold the items for the residents and then paid them cash. However, Mr. Coppa had no authority to enter into any arrangement for residents to build or sell crafts. Furthermore, we were unable to substantiate Mr. Coppa's contentions.

Mr. Coppa said he told all of the individuals who bought items that they were made by residents. He also claimed that he told them he would pay the residents who made the items. We asked several individuals who purchased items about their understanding of the use of the money. None of the purchasers could recall such a discussion with Mr. Coppa. They all were under the impression that the money was going to the home. These individuals also stated that they knew there were other organizations and individuals who had purchased items from Mr. Coppa.

Mr. Coppa requested the home purchase specialty lumber for use in the woodshop. He stated that the lumber was to be used to construct novelty and jewelry boxes. In April 1991 the woodshop received 50 feet of specialty lumber at a cost of about \$600. In January 1992, about \$1,200 worth of black walnut, pine, and redwood was purchased for the woodshop.

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Most of this lumber is at the home and has not been used for the novelty boxes. In order to finance the lumber and other purchases, Mr. Coppa deposited about \$5,700 of contributions into the woodshop account in fiscal year 1992. At least \$1,800 should have been deposited to the general contributions account. The remaining \$3,900 may have been contributed for woodshop use. However, Mr. Coppa was to solicit funds for projects according to an approved priority list established by the home administrators and the designated contributions committee. The woodshop was not on the approved priority list. Use of general contributions need the authorization of home administrators and the designated contributions committee. This use of general contributions without approval is a misuse of state funds. Mr. Coppa stated that donations were deposited to the woodshop account to pay for the materials used to build the items made as gifts or sold.

Conclusions

Mr. Coppa violated Minn. Stat. Section 43A.38, Subd. 6, when he used materials purchased by the home to build items he sold. The code of ethics for employees in the Executive Branch states that a conflict of interest exists when:

"...the use for private gain or advantage of state time, facilities, equipment or supplies or badge, uniform, prestige or influence of state office or employment."


Mr. Coppa used state time and materials to make items he sold for personal benefit. In addition, purchasers assumed he was representing the home because of his duties. Mr. Coppa has not provided evidence to support his claim of representing residents when selling items. Also, he had no authority to represent residents.

Mr. Coppa also violated Minn. Stat. Section 198.16, which states that all proceeds from the sale of property shall be deposited in the state treasury. The items sold were made with state materials and remained the property of the home. As such, the proceeds from the sale must be deposited into the state treasury. Mr. Coppa violated Minn. Stat. Section 609.445, which addresses the failure to pay over state funds. This section was violated when he received money on the homes behalf and did not deposit it to the state treasury.


Pursuant to Minn. Stat. Section 3.975, this report shall be referred to the Attorney General. The Attorney General has the responsibility to ensure the recovery of state funds, and in fulfilling that role, may negotiate the propriety of individual claims. The Attorney General also shall cause criminal proceedings to be instituted by the proper authority as the evidence may warrant.

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This report is intended for the information of the Legislative Audit Commission and management of the Minnesota Veterans Home - Minneapolis. This restriction is not intended to limit the distribution of this report, which was released as a public document on March 26, 1993.



James R. Nobles
Legislative Auditor



John Asmussen, CPA
Deputy Legislative Auditor

Report Signed On: March 23, 1993