

House of Representatives

Special Review

Telephone Investigation

April 1995

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**Financial Audit Division
Office of the Legislative Auditor
State of Minnesota**

95-17

SUMMARY

State of Minnesota
Office of the Legislative Auditor
Centennial Office Building • St. Paul, MN 55155
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House of Representatives Special Review: Telephone Investigation

Public Release Date: April 20, 1995

No. 95-17

The Office of the Legislative Auditor has conducted a special review of certain alleged improprieties relating to the House of Representatives telephone service. We conducted the review at the request of the Speaker of the House of Representatives and the Governor's Chief of Staff.

Our objectives were to answer the following questions:

To what extent did Alan Welle continue to use his corporate home account after leaving office? How did the Department of Administration and House officials respond to the alleged misuse? Did any other former members continue to use House telephone privileges after leaving office? Does the Sergeant-at-Arms restrict incoming 1-800 calls to House members? Is the Sergeant-at-Arms staff transferring members outside the capitol complex?

In addition, we discovered that some House members had acquired individual 1-800 numbers through the Department of Administration. We expanded our review to examine this issue.

Scope Limitation

Staff of the Office of the Legislative Auditor are employees of the Legislature. Because of this, according to generally accepted governmental auditing standards included in *Government Auditing Standards 1994 Revision*, issued by the Comptroller General of the United States, the Legislative Auditor's Office is not considered independent of the Legislature for audit purposes. Despite this limitation, Minn. Stat. Section 10.47 directs the Legislative Auditor to investigate and report on evidence of misuse of long distance telephone service of state employees and officials, including legislators.

Conclusions

We found that Alan Welle continued to use his corporate home account after leaving office in December 1993. During the period from January 1994 through January 1995, he charged a total of \$139.76 in long distance telephone calls to his House corporate home account. We estimate the total market value (residential rate) of these calls, including additional taxes, to be \$268.43. We did not find any evidence of telephone misuse by former members after the 1994 elections. However, we found that an individual 1-800 number for a former member appeared on the January 1995 House of Representatives telephone bill as a result of an error.

We found no evidence that members have been using the Sergeant-at-Arms incoming 1-800 number inappropriately. The Sergeant's toll-free number is an economical method for out-state members to communicate with metropolitan area state offices. We are satisfied that callers are restricted to House members.

House members have the ability to request individual 1-800 numbers directly through the Department of Administration. Members are supposed to pay for the use of these 1-800 numbers with personal or campaign funds, not with public funds. House Administrative Services has not been involved in establishing or monitoring members' individual 1-800 numbers.

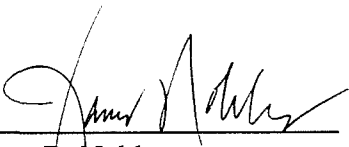
We found that the Department of Administration had erroneously billed individual House member 1-800 service to House Administrative Services since June 1994. The amount of the incorrect bills, through January 1995, totaled \$486.04. As of April 1, 1995, House members or their campaign committees had reimbursed the House for \$195.02 of the total amount billed in error. House Administrative Services is in the process of billing these members for the remaining amounts.

Office of the Legislative Auditor

Addendum

1. On page 7, we said Mr. Mark Gleason's employment as Director of House Administrative Services ended on October 11. We based this on Mr. Gleason's testimony to us, in which he said he was told on that day that his employment with the House was being terminated. Documents we have seen since our report was finalized indicate that Mr. Gleason continued to work as Director of House Administrative Services until October 18, 1994.

2. On pages 15 and 16, we discuss billing errors related to former Representative Gutknecht's individual 1-800 service. First, we want to make it clear that Mr. Gutknecht did not cause the errors. In addition, we have been informed that Mr. Gutknecht did not receive the total amount of the reimbursement required of him (\$376.18) until April 18, 1995. Previous to that date, he had been given lower amounts. In a telephone conversation on April 19, 1995, Mr. Gutknecht informed us that he has sent checks to the current Director of House Administrative Services to fully reimburse the state for the full \$376.18, and that he will reimburse the House for any additional errors that might be found. The figure in our report of \$121.03 is the amount that had been received by House Administrative Services on the date (April 18, 1995) we signed this report.


James R. Nobles
Legislative Auditor

4/20/95
Date



STATE OF MINNESOTA

OFFICE OF THE LEGISLATIVE AUDITOR

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

JAMES R. NOBLES, LEGISLATIVE AUDITOR

Members of the Legislative Audit Commission

Representative Irv Anderson, Speaker
House of Representatives

Representative Phil Carruthers, Chair
House Committee on Rules and Legislative Administration

Representative Steve Sviggum, Minority Leader
House of Representatives

Audit Scope

On February 8, 1995, the Speaker of the House of Representatives, Irv Anderson, requested that the Legislative Auditor's Office investigate two matters regarding use of the House telephone system. In the request, Speaker Anderson stated:

The two matters are: (1) Former Representative Alan Welle continued use of the corporate home credit card account after his resignation and (2) an allegation that members may have been using the 1-800 number in the Sergeant's Office to make calls to other than state agencies contrary to the House's phone policy.

We also received a request from Morrie Anderson, Chief of Staff to Governor Arne Carlson, dated February 7, 1995, to investigate calls appearing on Representative Tom Van Engen's House telephone bill which apparently originated from Alan Welle's home phone.

Scope Limitation

Staff of the Office of the Legislative Auditor are employees of the Legislature. Because of this, according to generally accepted governmental auditing standards included in *Government Auditing Standards 1994 Revision* issued by the Comptroller General of the United States, the Legislative Auditor's Office is not considered independent of the Legislature for audit purposes. Despite this limitation, Minn. Stat. Section 10.47 directs the Legislative Auditor to investigate and report on evidence of misuse of long-distance telephone services of state employees and officials, including legislators.

Members of the Legislative Audit Commission
Representative Irv Anderson, Speaker
Representative Phil Carruthers, Chair
Representative Steve Sviggum, Minority Leader
Page 2

Conclusions


This report represents the results of our investigation. We cite our investigation conclusions at the beginning of Chapters 2, 3, and 4 of the report. In addition to our conclusions, we also have several recommendations for the House to consider relating to House telephone service and administrative processes. We have included these recommendations at the end of each report chapter.

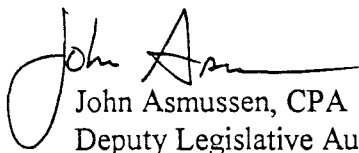
During our investigation, it became clear to us that telephone options for House members are both varied and numerous. Because of this, it also became apparent that there is some confusion among members concerning the telephone options available to them. We believe that the goal of the House should be to have the simplest possible telephone structure, while still providing convenient, accessible telephone service to members.

Pursuant to Minn. Stat. Section 3.975, this report has been 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. We will also refer the report to the Ramsey County Attorney's Office, because that office has previously been involved with House telephone issues and was asked to investigate the questions addressed in this report.

This report is intended for the information of the House of Representatives and the Legislative Audit Commission. This restriction is not intended to limit the distribution of this report, which was released as a public document on April 20, 1995.

We acknowledge the cooperation we received from the staff of House Administrative Services, the Department of Administration, and many other individuals who provided us with information during this investigation.


James R. Nobles
Legislative Auditor


John Asmussen, CPA
Deputy Legislative Auditor

End of Fieldwork: April 14, 1995

Report Signed On: April 18, 1995

House of Representatives: Telephone Investigation

Table of Contents

	Page
Chapter 1. Introduction	1
Background	1
Member Telephone Options	1
Methodology	2
Chapter 2. Use of Telephone Privileges by Former Members	5
Corporate Home Account Background	6
Alan Welle's Account	7
Tests of Other Former Member Accounts	9
Recommendations	10
Chapter 3. Use of the Sergeant-at-Arms Incoming 1-800 Number	11
Significant Users	12
Transferring Calls	12
Recommendation	14
Chapter 4. Use of Individual 1-800 numbers	15
Individual 1-800 Service Background	15
Incorrect Billing of 1-800 Service	16
Recommendations	16
Index of Attachments	17

Audit Participation

The following members of the Office of the Legislative Auditor prepared this report:

James Nobles	Legislative Auditor
John Asmussen, CPA	Deputy Legislative Auditor
Jeanine Leifeld, CPA	Audit Manager
Marla Conroy, CPA	Investigator

Chapter 1. Introduction

Background

On February 8, 1995, the Speaker of the House of Representatives, Irv Anderson, requested that the Legislative Auditor's Office investigate two matters regarding use of the House telephone system (Attachments 1 and 2). In the request, Speaker Anderson stated:

The two matters are: (1) Former Representative Alan Welle continued use of the corporate home credit card account after his resignation and (2) an allegation that members may have been using the 1-800 number in the Sergeant's Office to make calls to other than state agencies contrary to the House's phone policy.

We also received a request from the Governor's Chief of Staff, Morrie Anderson, dated February 7, 1995 (Attachment 3), to investigate calls appearing on Representative Tom Van Engen's House telephone bill which apparently originated from Alan Welle's home phone.

The Legislative Auditor's Office normally does not investigate or audit the internal operations of the Legislative branch. In fact, according to generally accepted governmental auditing standards included in *Government Auditing Standards 1994 Revision* issued by the Comptroller General of the United States, the Legislative Auditor's Office is not considered independent of the Legislature for audit purposes. Despite this, Minnesota Statutes Section 10.47 states:

The legislative auditor shall investigate and report on evidence or misuse of long-distance telephone service of legislators, judges, constitutional officers, heads of executive departments and agencies, and state employees, and, where appropriate, refer the evidence to other authorities.

As a result of this legislative mandate, we conducted an investigation of the two matters cited in the Speaker's letter (Attachment 4). During our investigation, we discovered that some House members had acquired individual 1-800 numbers through the Department of Administration. We expanded our review to examine this issue. This report provides the results of our investigation.

Member Telephone Options

We found that members have at least six options for making long distance telephone calls. Table 1-1 shows the various long distance options and the related billing methods. We discuss the use of corporate home accounts in more detail in Chapter 2, the Sergeant's incoming 1-800 number in Chapter 3, and individual 1-800 numbers in Chapter 4.

Most member long distance calls are included on the House of Representative's monthly telephone bill. The state has several long distance telephone carriers. The Department of Administration

House of Representatives: Telephone Investigation

obtains monthly computer tapes of activity from each telephone carrier, consolidates the activity of the various carriers, and produces a combined monthly telephone bill for each state agency, including the House of Representatives.

Table 1-1 Member Long Distance Calling Options

Calling Method	Allowable Business Use (4)	Billing Method
Corporate Home Account (1)	Any long distance originating from an activated telephone	To individual member until 7/95 To the House of Rep. after 7/95
Sergeant's 1-800 number (2)	Long distance calls terminating at the Sergeant-at-Arms Office	To the House of Representatives
Individual 1-800 numbers (3)	Long distance calls terminating within the Capitol Complex (5)	To individual member or campaign committee (3)
State Office Building Telephones	Any long distance originating from Capitol Complex	To the House of Representatives
MNet Calling Card	Any long distance	To the House of Representatives
Member Personal Telephone Service	Any long distance	To individual member, reimbursement for individual business calls through House Administrative Services

(1) Discussed in more detail in Chapter 2.

(2) Discussed in more detail in Chapter 3.

(3) Discussed in more detail in Chapter 4. For the months of June 1994 through January 1995, these accounts were erroneously billed to the House.

(4) According to House telephone policy (Attachment 8), members must have prior approval for any international calls.

(5) According to Department of Administration Telecommunications, all individual 1-800 lines must terminate at the Legislator's Capitol Complex office.

Source: Discussions with House Administrative Services and Department of Administration Telecommunications personnel.

In addition to the long distance telephone options provided for individual House members, the House of Representatives Public Information Office provides an incoming 1-800 information line. The House uses this line to provide general information to the public and to answer constituent questions. The Public Information Director told us that, as a general rule, his office will not transfer incoming House information line callers to individual House members.

Methodology

In order to conduct the investigation, we reviewed documents and other materials relating to telephone policy and usage during the time period under question. We discussed telephone procedures with several employees of the House of Representatives and the Department of Administration. We interviewed, and in some cases took sworn testimony, from current and former House administrators, the current Sergeant-at-Arms, as well as members of their respective staffs. We also interviewed House members and staff concerning their response to the discovery that Mr. Welle had continued to use his corporate home account.

House of Representatives: Telephone Investigation

We analyzed the use of Alan Welle's corporate home account during 1994 and estimated the market value of the calls. We took sworn testimony from former Representative Alan Welle concerning his phone usage before and after he left office.

In addition, we analyzed usage of the Sergeant's incoming 1-800 number for the six month period from July through December 1994. We confirmed use of the incoming number with selected members of the House.

Finally, we tested the January 1995 House telephone bill to determine whether any other former members of the House continued to use their telephone privileges after leaving office.

House of Representatives: Telephone Investigation

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Chapter 2. Use of Telephone Privileges by Former Members

Chapter Conclusions

We found that Alan Welle continued to use his corporate home account after leaving office in December 1993. During the period from January 1994 through January 1995, he charged a total of \$139.76 in long distance telephone calls to his House corporate home account. We estimated the total market value (residential rate) of these calls, including additional taxes, to be \$268.43. In addition, we found that, while in office, Mr. Welle and his wife routinely used the corporate home account for all long distance telephone calls, both business and personal.

Staff in the Department of Administration discovered Mr. Welle's continued use of his corporate home account on October 11, 1994 and contacted staff at House Administrative Services. That same day, House Administrative Services informed Maureen Novak, Executive Assistant to the Speaker of the House, of the problem. Ms. Novak stated under oath that she did not discuss the problem with the Speaker at that time. No one reported the misuse to the Legislative Auditor until February 1995.

We did not find any evidence of telephone misuse by former members after the 1994 elections. However, we found that an individual 1-800 number for a former member appeared on the January 1995 House of Representatives telephone bill as a result of an error.

In his request (Attachment 1), the Speaker of the House alleged that former Representative Alan Welle continued to use the corporate home account after his resignation. In investigating this issue, we pursued the following three questions:

1. To what extent did Alan Welle continue to use his corporate home account after leaving office?
2. How did the Department of Administration and House officials respond to the alleged misuse?
3. Did any other former members continue to use House telephone privileges after leaving office following the 1994 elections?

House of Representatives: Telephone Investigation

Corporate Home Account Background

The Department of Administration began offering corporate home accounts in June 1992. The House of Representatives was one of the early users of the corporate home accounts. In order to establish an account, a member has to designate a telephone to be activated for corporate home use. To use the corporate home account, a member dials a standard access code from the activated telephone before dialing the long distance number. When the access code is dialed first, the telephone bypasses the member's normal long distance telephone carrier and the member is charged at a reduced rate. Some other state employees, as well as members of the House of Representatives, currently use corporate home accounts.

Attachments 5, 6, and 7 are documents that House Administrative Services provided to members when it set up the corporate home accounts. As Attachment 6 indicates, members were able to decide which of their telephones, such as their home or business phones, they wanted set up as corporate home telephones. Attachment 5 indicates that members were to use the account "for long distance calls from your home to constituents." Attachment 7 adds to the usage definition by stating: "This allows you to call on legislative business anywhere in the U.S.A. at a substantially discounted rate."

On August 12, 1993, the House issued revised long-distance telephone policies and procedures (Attachment 8). The new policy made the following general statement:

Long distance telephone facilities and services provided and paid for by the House are for use by members and staff for official legislative and state business.

However, the policy did not specifically address the use of corporate home accounts by members.

Originally, the telephone company sent separate corporate home account bills to members' homes. However, due to billing changes by the Department of Administration, corporate home account usage began appearing on the monthly House telephone bills in July 1994. Now, the Department of Administration includes a member's corporate home usage along with the member's office usage on the monthly bills.

As part of its new telephone billing process, the Department of Administration began receiving computer tapes from various telephone companies and consolidating all usage onto one monthly agency telephone bill. Administration has received telephone usage tapes from AT&T since July 1994. As a part of this process, the Administration computer system generates a monthly "mismatch report", which indicates numbers being charged to the state which do not correlate to any known state accounts.

When the billing consolidation took place, Administration knew that certain House members had corporate home accounts. However, since House telephone records were private information at the time the corporate home accounts were set up, the Department of Administration did not have a record of which members had originally received the accounts. As a result, Administration expected all corporate home accounts in use to appear on the so-called mismatch reports.

House of Representatives: Telephone Investigation

Alan Welle's Account

Although Administration ran mismatch reports for each month after the AT&T consolidation, it was not until October 1994 that an Administration staff member, Bonnie Plummer, did a detailed analysis of mismatches. Ms. Plummer used the mismatch report generated from the September 1994 telephone company tapes. The mismatch report listed nine numbers which were House of Representatives corporate home accounts. These nine numbers had generated 208 calls during September. Upon further review, Ms. Plummer discovered that one of the numbers was the home telephone number of Alan Welle, a former House member. She found that the remaining numbers belonged to current House members.

Upon making the discovery concerning Mr. Welle, Ms. Plummer called Connie Boet, an employee of the House Administrative Services Office. Ms. Plummer also notified the state's AT&T service representative and asked that AT&T terminate Mr. Welle's corporate home account. She followed up the conversation with AT&T by sending a written, formal request to terminate the number. Ms. Plummer also submitted paperwork to assign any future corporate home charges originating with Alan Welle's home number to his former office number at the State Office Building. The office number had since been assigned to Mr. Welle's successor, Tom Van Engen. At that point, Ms. Plummer believed that the problem had been resolved and took no further action.

After the conversation with Bonnie Plummer, Connie Boet informed the Director of House Administrative Services at that time, Mark Gleason, of the problem through a memo (Attachment 9). She also sent a copy of the memo to Maureen Novak, Executive Assistant to the Speaker of the House.

According to sworn testimony by Maureen Novak, she reviewed her copy of the memo when it arrived and discussed the problem with then Administrative Services Director Gleason. Ms. Novak stated that she assumed the problem would be handled by the Administrative Service Director. She stated under oath that she did not discuss the problem or the memo with the Speaker at that time. The Speaker confirmed to us that he was not aware of the problem until it became public knowledge in February 1995.

Neither the Department of Administration nor the House Administrative Services Director reported the potential telephone misuse to the Office of the Legislative Auditor in October 1994. Minn. Stat. Section 10.43 requires that potential telephone misuse be reported to the Legislative Auditor's Office. The House telephone policy (Attachment 8) names the Director of Administrative Services as the person responsible to investigate and notify appropriate authorities of misuse. However, there was turnover within the Administrative Services Director position at that time. Mr. Gleason's employment as Director of House Administrative Services ended on October 11, 1994, the same day he was notified of the potential telephone misuse.

It was not until Tom Van Engen saw his phone bill for October 1994 (Attachment 10) in January 1995, that both Administration and the House Administrative Services Office realized that the problem with Mr. Welle's account had not been resolved. It became apparent that AT&T had not terminated Mr. Welle's corporate home account as expected. In a memo dated February 9, 1995

House of Representatives: Telephone Investigation

(Attachment 11), AT&T acknowledged responsibility for all calls Mr. Welle made on his corporate home account after October 11, 1994.

Neither the Department of Administration nor the House notified Alan Welle of the problem with his account when it was first discovered. In sworn testimony to us, Mr. Welle stated that he was not aware of the problem until he began receiving calls from the press. On February 9, 1995, the Director of House Administrative Services sent Mr. Welle a letter (Attachment 12) notifying him that the Department of Administration had canceled the corporate home account.

We analyzed Mr. Welle's use of the corporate home account for 1994 and 1995. Table 2-1 shows usage of the account during that time. We also attempted to determine the estimated, fully taxed market value of the calls Mr. Welle made using his corporate home account during that time period. AT&T had charged Mr. Welle for state sales tax for his usage. However, since the state is exempt from federal excise taxes, AT&T had not charged Mr. Welle for federal taxes on his usage.

Table 2-1
Corporate Home Usage by Alan Welle
1994 - 1995

<u>Billing Month</u>	<u>Billed Charges</u>	<u>Estimated Market Value (3)</u>	<u>Difference</u>
January 1994 (1)	\$ 3.42	\$ 5.83	\$ 2.41
February (1)	14.98	36.62	21.64
March (1)	22.65	39.42	16.77
April (1)	12.96	22.67	9.71
May (1)	17.57	28.89	11.32
June (1)	7.76	14.04	6.28
July	20.80	43.59	22.79
August	9.80	22.59	12.79
October (2)	13.13	24.68	11.55
November	8.71	15.15	6.44
December	7.42	14.15	6.73
January 1995	.56	.81	.25
TOTAL	<u>\$139.76</u>	<u>\$268.43</u>	<u>\$128.67</u>

(1) AT&T billed these charges directly to Mr. Welle, who paid the telephone company.

(2) September amount was combined with October bill to the House.

(3) Repriced at estimated market rates for day, evening, night and weekend use, including 6.5 percent state sales taxes and estimated 3 percent federal excise taxes.

Source: Analysis of information provided by the Department of Administration Telecommunications Division.

In sworn testimony, Mr. Welle indicated that he believed the corporate home account was a personal account issued to him by the telephone company. However, according to AT&T, Mr. Welle's corporate home account bills were addressed to MINN ST OFC-HS OF REP ATTN: ALAN WELLE. To Mr. Welle, the corporate home account appeared similar to two credit cards he had that, although they were issued by the House, still remained Mr. Welle's personal accounts.

House of Representatives: Telephone Investigation

In his testimony, Mr. Welle stated that both he and his wife routinely used the corporate home account when dialing long distance from their home, both before and after he left office. Mr. Welle stated that he tried not to make any long distance calls on his regular home phone account, thereby limiting his regular monthly phone charges only to the US West local connect charges. Until July 1994, Mr. Welle paid the monthly corporate home charges directly to the telephone company.

As can be seen in Table 2-1, Mr. Welle achieved nearly 50 percent in savings by routinely using the corporate home account instead of his regular long distance telephone service. In addition, he was able to avoid about \$7 in federal excise taxes by using the state issued corporate home account. Mr. Welle has indicated his willingness to reimburse the telephone company for the estimated market value of any personal calls he made using the corporate home account.

During 1992 and 1993, while Mr. Welle was a member of the House, he charged \$121.38 in calls to his corporate home account. He paid the telephone company directly for all of these calls. We did not determine how many of these calls, if any, Mr. Welle made for personal purposes.

Tests of Other Former Member Accounts

We attempted to determine whether other former members of the House continued to use their House telephone privileges after leaving office. We first reviewed procedures in place for members not returning after the 1994 elections. We found that the House did not perform any exit procedures with members not returning in January 1995. In addition, House Administrative Services did not cancel telephone access for the non-returning members until February 10, 1995. At that same time, other former members received a letter similar to the one sent to Alan Welle (Attachment 12) stating that their phone privileges had been canceled.

In order to verify that former members did not continue to use their telephone privileges after the 1994 elections, we analyzed the January 1995 House telephone bill. We looked for any corporate home or MNet calling card activity by these former members. We found that all former members ceased using both their corporate home access and their MNet calling cards once they left office. However, during our test, we found three cases of improper billings of individual 1-800 numbers. One of these cases involved a former House member. We discuss individual 1-800 numbers in more detail in Chapter 4.

We also attempted to determine the procedures that House Administrative Services used to cancel telephone access after the 1992 elections. However, House Administrative Services was unable to locate any telephone service documents for that time period. Because House telephone records were private information at that time, the Department of Administration did not retain any records concerning cancellations made after the 1992 elections. Staff at the Department of Administration told us that they recalled canceling access for non-returning members shortly after the 1992 elections. However, former House Administrative Services Director David Kienitz was unable to confirm that he did, in fact, cancel telephone access for former members after the 1992 elections.

Finally, the House Administrative Services Office has been unable to locate any of the records which set up the original corporate home accounts in 1992. If a current member is still using a corporate home account, the charges for the account appear on the member's monthly House

House of Representatives: Telephone Investigation

phone bill. However, there may be other telephones for which a corporate home account still exists, but if it is not being used, charges would not appear on any state telephone bill.

Recommendations

As a result of our review of the use of telephone privileges by former members, we have the following recommendations to make concerning the House of Representative telephone policies and procedures:

- *The House should work with AT&T to seek reimbursement from Alan Welle for the market value of any personal calls he made using the corporate home account.*
- *The House should develop formal exit procedures for non-returning members. No exit procedures were in place either when Alan Welle resigned, or after the 1994 elections. As a result, Administrative Services did not cancel former member phone access until February 10, 1995.*
- *The House should develop a records retention policy for telephone service records. House Administrative Services cannot locate records relating to past telephone service. Because of this, Administrative Services has been unable to verify that telephone access for former members has been properly discontinued.*
- *The House should work to improve its compliance with Minn. Stat. Section 10.43 and its own internal policy on telephone bill review. Minn. Stat. Section 10.43 states "Each representative . . . shall sign the person's monthly long-distance telephone bills paid by the state as evidence of the person's approval of each bill." The House internal telephone policy (Attachment 8) gives members 30 days to review and sign the bill and return it to House Administrative Services. Because of delays in reviews and approvals by members, as of April 1, 1995, the House had not made any telephone payments to Administration for fiscal year 1995.*

Chapter 3. Use of the Sergeant-at-Arms Incoming 1-800 Number

Chapter Conclusions

We found no evidence that members have been using the Sergeant-at-Arms incoming 1-800 number inappropriately. The Sergeant's toll-free number is an economical method for out-state members to communicate with state offices in Saint Paul. We are satisfied that callers are restricted to House members.

While it is House policy that 1-800 calls should be transferred only to metropolitan area state government numbers, it is possible for members to be transferred to numbers other than their legislative office of a state agency after calling the Sergeant's number. However, transferring incoming 1-800 calls to outgoing long distance is inefficient, costing the state additional telephone charges. Because of limitations with current telephone technology, we were unable to determine the extent that members were transferred to other local or long distance numbers after calling the Sergeant's Office. However, we are satisfied that there is adequate accountability for any transfer calls.

In 1992, the House made available to members an incoming 1-800 number. The House set up the number to provide out-state members with economical access to their offices and other state agencies in Saint Paul. Through the use of the 1-800 number, the House attempted to provide access to out-state members that was similar to the access available to metropolitan members of the House. As discussed in the Attachment 5 memo, the number originally linked members directly with the Capitol switchboards. Due to complaints that out-state members often experienced long waits in having their calls answered by the switchboard, House Administrative Services switched the incoming 1-800 number to ring at the Sergeant-at-Arms office on August 7, 1992.

According to the House telephone policy (Attachment 8), the Sergeant's 1-800 number is provided for members use only. In addition, the policy indicates that the Sergeant's staff are to transfer calls "only into the capitol complex at prefixes 296, 297, and 282." Members can use the Sergeant's toll-free number during regular Sergeant-at Arms office hours. The telephone line does not ring outside of the Sergeant's office, either during peak activity or after hours.

Currently, the Department of Administration includes incoming 1-800 calls on the House of Representative's consolidated monthly telephone bill. House Administrative Services forwards the 1-800 detail to the Sergeant-at-Arms who reviews and approves the monthly bill. The Sergeant's copy of the bill lists the activity chronologically by date, time, and originating number. The Department of Administration charges the House \$.145 per minute of use for the Sergeant's 1-800 number.

House of Representatives: Telephone Investigation

In his letter to the Legislative Auditor (Attachment 1), the Speaker of the House stated that there was an allegation that members may have been using the 1-800 number in the Sergeant's Office to make calls to other than state agencies, contrary to the House's phone policy.

In investigating this issue, we attempted to answer two questions relating to the 1-800 number. The questions were:

1. Does the Sergeant-at-Arms restrict incoming 1-800 calls to House members?
2. Is the Sergeant-at-Arms staff transferring members outside the capitol complex?

In order to answer these questions, we interviewed members of the Sergeant's staff who routinely answer the incoming calls. We also analyzed the incoming activity for the Sergeant's 1-800 number for the six month period from July through December 1994.

Significant Users

During the period from July through December 1994, callers made a total of 7,956 calls to the Sergeant's 1-800 number. Total charges during the six month period were \$6,993.05. Table 3-1 shows the most frequent users of the incoming Sergeant's 1-800 number for the period from July through December 1994. As can be seen from the table, we were able to trace most calls to members of the House. It appears the Sergeant's Office is restricting incoming 1-800 calls to the House members.

Transferring Calls

Members of the Sergeant's staff told us that they only accept callers who are members of the House. They recognize the voices of frequent users of the number and are instructed to ask for identification if they do not recognize the voice. In addition, they told us that they will not transfer callers to anywhere other than their legislative office or another state agency. In practice, some of the operators have broadened the definition of "state agencies" to include any local telephone numbers included in the state telephone directory, including the University of Minnesota.

The telephone system allows a caller to be transferred more than once. As a result, it is possible for the member to be transferred again, after the Sergeant's staff makes the original transfer. These subsequent transfers could be either local or long distance calls. Charges continue to accrue at the rate of \$.145 per minute as long as the original call is connected.

It is not possible, using current technology, to electronically trace these subsequent transfers. Any subsequent long distance transfers would appear on the telephone bill of the telephone from which the call was dialed. However, such a transfer results in the state using two long distance lines simultaneously, the incoming 1-800 line and the outgoing long distance line. Because of this, the state actually gets billed twice for any incoming 1-800 numbers which are ultimately rerouted back out on long distance. The state gets charged both by the 1-800 carrier, who is continuing to

House of Representatives: Telephone Investigation

carry the incoming connection, as well as the state's long distance carrier, who is logging an outgoing long distance call.

Table 3-1
Usage of the Sergeant's Incoming Number
July through December 1994

<u>Representative</u>	<u>Number of Originating Phone Lines</u>	<u>Calls Placed</u>	<u>Total Minutes</u>	<u>Total Charges</u>
Over \$100 in Charges				
Wenzel, Steve	2	693	5,684	\$ 825.98
Sviggum, Steve	1	149	1,843	267.53
Lourey, Becky	1	212	1,560	226.69
Olson, Mark	1	276	1,247	181.49
Steensma, Andy	2	236	1,375	199.95
Winter, Ted	1	185	1,183	172.03
Olson, Edgar	1	155	1,163	169.40
Dorn, John	2	153	1,137	165.40
Jaros, Mike	1	123	1,050	152.57
Pelowski, Gene	1	148	1,037	150.73
Kinkel, Tony	2	97	1,038	150.71
Bishop, Dave	1	116	1,002	145.59
Kalis, Henry	1	176	988	143.71
Battaglia, Dave	1	187	908	132.29
Murphy, Mary	2	181	899	130.87
Anderson, Irv	1	174	867	126.15
Mosel, Darrel	1	141	812	118.10
Rukavina, Tom	1	100	734	106.66
Under \$100 in Charges				
27 representatives in total	32	1,824	8,419	\$1,225.43
Undetermined Sources (1)	504	2,209	12,159	\$1,768.75
Untraceable Calls (2)	6	421	2,981	\$ 433.35
TOTAL	<u>565</u>	<u>7,956</u>	<u>48,086</u>	<u>\$6,993.05</u>

- (1) Most of these lines were infrequent sources of incoming calls; 475 lines incurred costs of less than \$10 for the six month period.
 (2) Some local telephone companies do not have the equipment necessary to record the precise originating telephone number.
 (3) 63 representatives resided in areas outside the metropolitan calling area. We could trace incoming calls to 45 of these representatives (18 incurring over \$100 in charges and 27 incurring less than \$100 in charges). Most of the remaining 18 representatives may have used the Sergeant's number, but their calls were from sources that were either undetermined or untraceable.

Source: Office of the Legislative Auditor analysis of Department of Administration telephone usage database for July through December 1994.

For example, a representative may call the 1-800 number in the Sergeant's office and be transferred to a legislative assistant. If the legislative assistant transfers the representative to a long distance number, the Sergeant's incoming 1-800 line will continue to accrue charges at \$.145 per minute as long as the representative continues the long distance conversation. In addition, the

House of Representatives: Telephone Investigation

legislative assistant's phone line will show that a long distance call was placed, and that phone line will be charged \$.13 per minute for the duration of the call.

There is accountability for the second call, as well as the original 1-800 call. A record of the original call appears on the Sergeant's monthly telephone bill. A record of any subsequent transfer to long distance appears on the telephone bill of the person from whom the long distance call originated.

Recommendation

We think that the Sergeant's toll-free number is an economical method for out-state members to communicate with state offices in Saint Paul.

- *However, the House should remind members of the increased costs and potential inefficiency of being transferred from the Sergeant's incoming 1-800 line to an outgoing long distance line.*

Chapter 4. Use of Individual 1-800 Numbers

Chapter Conclusions

House members have the ability to request individual 1-800 numbers directly through the Department of Administration. Members are supposed to pay for the use of these 1-800 with personal or campaign funds, not with public funds. House Administrative Services has not been involved in establishing or monitoring members' individual 1-800 numbers.

We found that the Department of Administration had incorrectly billed individual House member 1-800 service to House Administrative Services beginning June 1994. The amount of the incorrect bills through January 1995 totaled \$486.04. As of April 1, 1995, House members or their campaign committees had reimbursed the House for \$195.02 of the total amount billed in error. House Administrative Services is in the process of billing these members for the remaining amounts.

Furthermore, on the January 1995 House telephone bill, one of the improper billings of individual 1-800 service involved a former member, Gil Gutknecht. On the January 1995 bill, \$15.08 in individual 1-800 charges appeared for former Representative Gutknecht. Mr. Gutknecht maintained his individual 1-800 service through the transition to his new position as a member of the U.S. House of Representatives. The Department of Administration removed the number from the state contract as of January 20, 1995. During the period from June through January, Mr. Gutknecht's individual 1-800 service totaled \$376.18. Of this total, Mr. Gutknecht has reimbursed the House for \$121.03. On April 12, 1995, House Administrative Services billed Mr. Gutknecht for the remaining balance.

During our review of the January 1995 House telephone bill, we found that the Department of Administration had incorrectly billed the House for members' individual 1-800 telephone service. The incorrect billings began in June 1994. Individual 1-800 service for six House members had been inappropriately billed on the House telephone bill between June 1994 and January 1995.

Individual 1-800 Service Background

Certain members of the House have individual toll-free 1-800 telephone numbers. House Administrative Services has not been involved with either activating or monitoring these numbers. The Department of Administration set up these accounts directly with members. We were told that members use the 1-800 accounts for constituent services. Because these numbers are set up under the state's 1-800 contract, the members receive a substantially discounted rate for the service. Nine current members of the House have this service. The Department of Administration requires these numbers to terminate at the Legislator's Capitol Complex office.

House of Representatives: Telephone Investigation

Based on the information available at this time, the Attorney General's Office has determined that current law does not prohibit issuance of the 1-800 numbers to members of the House for purposes of receiving constituent calls from their home districts and conducting other state business. However, neither the Department of Administration nor the House have any specific policies concerning the use of these individual 1-800 numbers, limiting their use to public purposes.

It is unclear whether all House members know that individual 1-800 service is an available service to them. Three members of the Senate also have individual 1-800 numbers set up by the Department of Administration. In contrast to the House policy, Senators with individual 1-800 are eligible to receive some reimbursement for these costs. Senators are eligible to receive up to \$75 per month in phone costs during the interim months between legislative sessions, and can use all or part of this amount to pay for 1-800 service.

Incorrect Billing of 1-800 Service

The Department of Administration generally bills members or their campaign committees directly for individual 1-800 service. This 1-800 service is not supposed to be included on the monthly House telephone bill from the Department of Administration and, usually, House Administrative Services does not see these bills. However, we found that the Department of Administration had erroneously billed individual House member 1-800 service to House Administrative Services beginning in June 1994. Rather than billing the member or campaign committee directly, the Department of Administration had included the charges on the House telephone bill. The amount of the incorrect billings through January 1995 totaled \$486.04. As of April 1, the House had received reimbursements for \$195.02 of the total amount incorrectly billed. House Administrative Services is in the process of billing these members for the remaining amounts.

One of these billings involved a former member of the House, Gil Gutknecht. During the period from June 1994 through January 1995, the Department of Administration billed the House for \$376.18 for Mr. Gutknecht's individual 1-800 service. Of this total, Mr. Gutknecht has reimbursed the House for \$121.03. On April 12, 1995, House Administrative Services billed Mr. Gutknecht for the remaining balance. Of his 1-800 charges, \$15.08 were attributable to January 1995, after Mr. Gutknecht left the House. The Department of Administration removed the number from the state contract as of January 20, 1995.

Recommendations

As a result of our review of member individual 1-800 numbers, we believe the House should review its procedures in three areas:

- *The House should resolve the remaining 1-800 erroneous billings and ensure that the House is properly credited for any overbillings.*
- *House Administrative Services should be involved in setting up individual 1-800 numbers, so that the House has a record of the numbers.*
- *The House should determine the appropriate use of individual 1-800 numbers. It should provide a policy for members limiting the use of these numbers to public purposes.*

House of Representatives: Telephone Investigation

Index of Attachments

- Attachment 1 - Letter dated February 8, 1995 from the Speaker of the House, Irv Anderson, to the Legislative Auditor, James Nobles.
- Attachment 2 - Memo dated August 23, 1994 from House Administrative Services Director, Mark Gleason, to Representative Marc Asch.
- Attachment 3 - Letter dated February 7, 1995 from the Governor's Chief of Staff, Morrie Anderson, to the Legislative Auditor, James Nobles.
- Attachment 4 - Letter dated February 9, 1995 from the Legislative Auditor, James Nobles, to the Speaker of the House, Irv Anderson.
- Attachment 5 - Memo (undated) from House Administrative Services Director, David Kienitz, to all House members.
- Attachment 6 - Memo (undated) from House Administrative Services Director, David Kienitz, to all legislative assistants.
- Attachment 7 - Memo (undated) from House Administrative Services Director, David Kienitz, to all new House members.
- Attachment 8 - House Long Distance Telephone Policies and Procedures, dated August 12, 1993.
- Attachment 9 - Memo dated October 11, 1994 from Connie Boet, Administrative Assistant to House Administrative Services Director, Mark Gleason.
- Attachment 10 - Representative Tom Van Engen's October 1994 Telephone Statement.
- Attachment 11 - Letter dated February 9, 1995 from AT&T to Bonnie Plummer, Department of Administration Telecommunications Division.
- Attachment 12 - Letter dated February 9, 1995 from House Administrative Services Director, Paul Schweizer to former Representative Alan Welle.

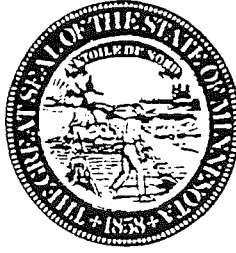
House of Representatives: Telephone Investigation

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Irv Anderson
State Representative

District 3A
Koochiching, Itasca and St. Louis Counties

SPEAKER OF THE HOUSE



Minnesota House of Representatives

February 8, 1995

Mr. James R. Nobles
Legislative Auditor
658 Cedar Street
St. Paul, MN 55155

Dear Mr. Nobles:

This letter is to request that you investigate two matters regarding usage of the House of Representatives' telephone system that have just come to my attention. This request is made pursuant to the authority under Minnesota Statutes, section 10.456, to report "any evidence of misuse of long-distance telephone service *** to the auditor when appropriate".

The two matters are: (1) Former Representative Alan Welle continued use of the corporate home credit card account after his resignation and (2) an allegation that members may have been using the 1-800 number in the Sergeant's Office to make calls to other than state agencies contrary to the House's phone policy. See the copy of the attached memo from former House Controller, Mark Gleason, to former Representative Marc Asch that I received yesterday.

I have directed my staff and the staff of the House of Representatives to provide any information and full cooperation to facilitate this investigation.

Sincerely,

Irv Anderson
Speaker of the House

cc: Paul Schweizer, House Controller
Isabelle Schmidt, Sergeant at Arms



Printed by Mark Gleason 8/23/94 10:24am

 From: Mark Gleason
 To: Marc Asch
 Subject: Watts line

====NOTE=====

I would like your advice on an issue that affects members.

There is a watts line in the Sgt's Office for incoming calls from outstate members. They call in, and are then transferred to whoever they really want to call. The official policy is these calls can be made to state agencies but I am aware that other calls are being made. Rural members like it because they can make calls without there being a public record of the call. The intent was to "level the playing field" for rural members vis a vi metro members who can call anywhere in the metro area in privacy.

This watts line is over 25% of our total monthly long distance bill.

Should we be concerned about lack of accountability for use of this line?

Should we be keeping a log of these incoming calls? (I think so.)

Should we be keeping a log of who the members are being transferred to? (I don't think so.)

How much trouble am I going to get myself into if I recommend that we log incoming calls on this line?

As a member of the task force on telephone controls, I thought you may have some insight into the matter of balancing the accountability vs. privacy issues.

AUG 23 1994

Marc:

Site typing this

I decided not to

E-mail this but

rather to send it

on paper.

MJ



STATE OF MINNESOTA

OFFICE OF THE GOVERNOR
130 STATE CAPITOL
SAINT PAUL 55155

ARNE H. CARLSON
GOVERNOR

February 7, 1995

Mr. James R. Nobles, Legislative Auditor
Legislative Auditor's Office
First Floor Centennial Office Building
658 Cedar Street
St. Paul, MN 55155

Dear Mr. Nobles,

It has come to my attention via the Department of Administration that there is another problem with phone use by one of the members of the Minnesota House of Representatives.

State Representative Tom Van Engen of Willmar recently received a phone bill from the months of August, September and October. The bill listed a number of calls which Rep. Van Engen did not make. The Representative correctly contacted the Department of Administration to report the problem.

It would appear that the department was already aware of the problem. In October, 1994, a department employee in reviewing long distance phone bills discovered that long distance phone privileges had not been disconnected from the home phone of former state representative Allen Welle. The department believes that several calls which appeared on Mr. Van Engen's bill originated from Mr. Welle's home phone. Subsequent to this discovery, the Department of Administration requested AT and T to disconnect that service.

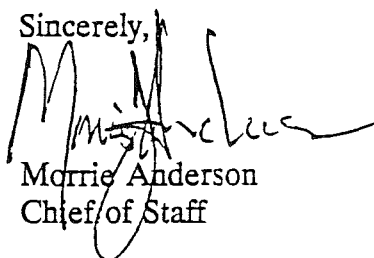
There remains some confusion about the number of long-distance calls which were made and the dollar amount of those calls. There is also a concern from the Department of Administration as to why office managers in the Legislature did not request that this long distance service be disconnected immediately following the former member's departure.

In light of the high level of attention this issue has attracted in the past, it would be helpful if your office undertook a review of the oversight practices of the Minnesota



House of Representatives. Our Department of Administration will cooperate fully to supply any information you may need.

Sincerely,

A handwritten signature in black ink, appearing to read "Morrie Anderson", written over the typed name and title.

Morrie Anderson
Chief of Staff



STATE OF MINNESOTA

OFFICE OF THE LEGISLATIVE AUDITOR

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

JAMES R. NOBLES, LEGISLATIVE AUDITOR

February 9, 1995

The Honorable Irv Anderson, Speaker
 Minnesota House of Representatives
 463 State Office Building
 St. Paul, Minnesota 55155

Dear Speaker Anderson:

I am responding to your request that my office investigate alleged misuse of House long-distance telephone services. I am writing to confirm what I said in our discussion yesterday: my office is obligated to investigate the alleged misuse that you reported to us, and any other alleged misuse brought to our attention.

As you know, the Legislative Auditor's office does not normally investigate or audit the internal operations of the Legislative branch. But, *Minnesota Statutes*, section 10.47, says:


The legislative auditor shall investigate and report on evidence or misuse of long-distance telephone service of legislators, judges, constitutional officers, heads of executive departments and agencies, and state employees, and, where appropriate, refer the evidence to other authorities.

Therefore, we will immediately begin to investigate both of the allegations noted in your letter dated February 8, 1995. Specifically, we will investigate the allegation concerning former Representative Alan Welle and the allegation concerning possible misuse of the House 1-800 number. If during the course of our investigation other allegations directly related to possible misuse of House long-distance telephone services are brought to our attention, we will incorporate them into our investigation.

We will make the investigation a high priority. Knowing that the allegations have created a high level of public concern, we will work as quickly as possible. It is of course also necessary that we be thorough, and produce a report that is accurate and complete. Our investigation will be led by Jeanine Leifeld, an audit manager in our Financial Audit Division.

As I told you during our meeting, at this very early stage, it is impossible to give you a reliable estimate of how long our investigation will take. Before we can have a better sense of the time required, we will have to gain an understanding of the scope of the 1-800 allegation, and we will need to assess the availability and quality of certain records and data. As I said, it will undoubtedly take weeks--not days, but probably not months--for us to complete our work. As soon as we have a more reliable estimate, I will let you know.

Sincerely,


 James Nobles
 Legislative Auditor

cc: Representative Phil Carruthers
 Members, Legislative Audit Commission
 Other Interested Officials

Administrative Services

198 State Office Building
St. Paul, Minnesota 55155
(612) 296-6648
Fax: (612) 296-1563

David N. Kienitz
Director



Minnesota House of Representatives

Dee Long, Speaker

M E M O

To: ALL HOUSE MEMBERS
From: David N. Kienitz
Re: LONG DISTANCE TELEPHONE CALLING

After much additional discussion, we are simplifying and improving your ability to communicate with your long distance constituents and the S.O.B., while you are away from the capitol.

If you are away from home and away from the capitol, use your personal telephone credit card. If you're at home calling constituents, you simply dial the access code and number. You will receive a billing that is separate from your family telephone bill. If you're at home and need to talk to House staff, you can dial a direct connection to the capitol, billed to the House.

CONSTITUENT CALLS FROM HOME

For long distance calls from your home to constituents, dial [redacted] area code and number you're calling, and your six digit ID number. This allows you to call anywhere in the U.S.A. at a substantially discounted rate, while also giving you a monthly telephone bill separate from your personal home telephone bill. You pay the bill and submit a copy to us to receive reimbursement. (This service can also be connected at a second location [your business office, summer home, etc.] at no charge. Please call me with appropriate telephone number). Any billing questions should be directed to Barb Smith (612) 297-7069).

CALLS FROM HOME TO THE CAPITOL

To make calls from your home to the capitol (any 296- or 297-number), dial [redacted] which will link you directly with Capitol switchboards. (Not necessary for metro-area members). These calls will be at the lowest rate available and will be billed directly to the House, and will be available weekdays from 7:30 a.m. to 4:30 p.m. (You may be asked to identify yourself to the operator to insure use by legislators only).

CALLING FROM AWAY FROM HOME

For long distance calls you make while away from home and away from the capitol please use your personal long distance card.

This long distance telephone package becomes effective July 1, 1992. Enclosed is a telephone reimbursement form for the month of July. The form should be sent to Aliceann Murphy-Grusin, in our office. Please be sure to include a copy of your paid billing.

Administrative Services

198 State Office Building
 St. Paul, Minnesota 55155
 (612) 296-6648
 Fax: (612) 296-1563

David N. Kienitz
 Director



Minnesota House of Representatives

Dee Long, Speaker

M E M O

To: All Legislative Assistants

From: David N. Kienitz *DNK*

Re: Member's Home Long-Distance Carrier

We will be giving each member a "corporate home account" long-distance calling system for inexpensive calling from their homes. This requires that we find out which long-distance telephone carrier (MCI, AT&T, Sprint or other) they have for their home telephone.

We ask your help in calling each of your members, finding the information, and returning this form to me by Monday, June 15th.

_____	_____
(Member's name)	(Carrier)
_____	_____
(Member's name)	(Carrier)
_____	_____
(Member's name)	(Carrier)
_____	_____
(Member's name)	(Carrier)

Thank you very much for your prompt assistance. Please call me if you have any questions. A letter explaining the telephone changes will soon be sent to the members.

Administrative Services

198 State Office Building
 St. Paul, Minnesota 55155
 (612) 296-6648
 Fax: (612) 296-1563

David N. Kienitz
 Director



Minnesota House of Representatives

Dee Long, Speaker

M E M O

To: ALL NEW HOUSE MEMBERS

From: David N. Kienitz

Re: LONG DISTANCE TELEPHONE CALLING

If you are away from home and away from the capitol, use your personal telephone credit card. If you're at home calling constituents, you simply dial the access code and number. You will receive a billing that is separate from your family telephone bill. If you're at home and need to talk to House staff, you can dial a direct connection to the capitol, billed to the House.

CONSTITUENT CALLS FROM HOME

For long distance calls from your home you have been given a "corporate home account", accessed by dialing [REDACTED] + [REDACTED] + area code and telephone number. This allows you to call on legislative business anywhere in the U.S.A. at a substantially discounted rate, while also giving you a monthly A T & T telephone bill separate from your personal home telephone bill. After checking your bill for accuracy, submit the complete bill to Aliceann Murphy-Grusin in our office for payment.

CALLS FROM HOME TO THE CAPITOL

To make calls from your home to the capitol (any 296- or 297-number), dial 1-[REDACTED] which will link you directly with the House Sergeant At Arms office. (Not necessary for metro-area members). These calls will be at the lowest rate available and will be billed directly to the House, and will be available weekdays from 7:30 a.m. to 4:30 p.m. (You may be asked to identify yourself to the operator to insure use by legislators only - this is not for use by your constituents).

CALLING FROM AWAY FROM HOME

For long distance calls you make while away from home and away from the capitol please use your personal long distance card and submit any billing for legislative calls for reimbursement.

Enclosed please find a card with dialing instructions to keep near your telephone. If you have any questions please call me.

August 12, 1993

MINNESOTA HOUSE OF REPRESENTATIVES

Long-Distance Telephone Policies and Procedures

Telephone Usage Policies

Long distance telephone facilities and services provided and paid for by the House are for use by members and staff for official legislative and state business.

Members and staff only. These facilities and services are provided for the use of House members and staff only. Members and staff should not reveal access numbers to others or knowingly allow others to use these facilities and services.

Official business only. Members and staff should use these facilities to maintain regular and frequent communication with legislative districts and constituencies, with locations where members receive correspondence and messages relating to the responsibilities of office, and with agencies and persons concerned with legislative or governmental decisions and activities.

TELEPHONE PROCEDURES

House telephone facilities and services may not be used for international calls to locations outside of Canada except by prior arrangement. Members and staff needing to make such calls on official business may either use an individual account and request reimbursement from the House or make prior arrangements with House Administrative Services to use Houses facilities and services.

The Sergeant's 1-800 number is provided for use by members only. Members may call into House offices during regular business hours using a 1-800 number that is answered by the Sergeant's staff. To ensure that this number is used only by members, callers will be asked to identify themselves. Members may use the Sergeant's number to make calls into the capitol complex at prefix's 296, 297 and 282.

House automated telephone access codes should not be used while traveling. For long-distance calling when away from both office and home, members and staff should use either a personal credit card, and request reimbursement from the House, or the 1-800 number monitored by the Sergeant's staff.

Telephone Bill Review Procedures

Long-distance telephone records are public data. The long-distance telephone bills of House members and staff are public data if the bills are paid by the state. (Laws 1993, Chapter 370, Section 7) Accordingly, following payment by the House, copies of these phone records will be made available to the public in the Legislative Reference Library.

Long-distance telephone bills must be reviewed for evidence of misuse, and suspected misuse must be reported to the appropriate authorities for investigation. The House procedures for accomplishing this are as follows:

Each member is responsible for reviewing the member's monthly bill within 30 days. Effective October 1, 1993, each member must review and sign the member's monthly long-distance telephone bill. (Laws 1993, Chapter 370, Section 4) Each month, each member will receive a copy of the member's long-distance telephone bill for the prior month. Within 30 days of receiving the bill, each member must review and sign the bill and return it to House Administrative Services.

Department directors and supervisors are responsible for reviewing the monthly bills of House staff within 30 days.

Members and staff who cannot identify a call on a telephone bill should take the following steps: (1) Check with the appropriate staff persons to see if they used the telephone line for authorized use. (2) If the origin or nature of the call remains suspect, the member or staff should so indicate on the telephone bill and return the bill to the Director of House Administrative Services. Members and staff should not duplicate the call, because this only results in higher long-distance telephone bills for the House.

Evidence of misuse of telephone facilities and services must be reported to the appropriate authorities for investigation. When a member or staff notifies the Director of House Administrative Services of suspect usage on a telephone bill, the Director will investigate to determine if unauthorized calls may have been made. If the Director so determines, the Director will notify the individual(s) assigned to the telephone line, the telecommunications staff of the Department of Administration, and other appropriate authorities as required by law. (The Speaker and the Legislative Auditor must be notified. Laws 1993, Chapter 370, Section 8)

OFFICE MEMORANDUM

House of Representatives
Administrative Services

Date: 10/11/94

To: Mark Gleason, Controller

Connie Boet
From: Connie Boet, Administrative Assistant

RE: Telecommunications Information

I received a call from Bonnie Plummer, Intertech, today. She was calling about AT&T Corporate Accounts. It seems that when an intertech billing doesn't match up with a corresponding state number, the itemization is "kicked" out. If the number of calls is 100 or more, it is dealt with right away. Other rejects are dealt with as time permits. One of these rejects happened to be a corporate billing for Alan Welle. Evidently Mr. Welle had a corporate account associated with his home number. He has continued to use this corporate account, which originated because of his association with the house. He has made 46 calls since January, 10 of which were in August. Intertech has cancelled this corporate account and AT&T will deal directly with Mr. Welle for payment of the bill.

Bonnie was calling me to let me know of the incident and to be sure that Intertech is informed when someone leaves the House, so that these corporate accounts can be cancelled as well as the telephone credit card. Is there an exit procedure that ensures credit cards are returned and/or cancelled? Is the telecommunications coordinator in this loop? If not, it would be appropriate for me to be informed anytime someone leaves employment so that I can ensure the appropriate telecommunications accounts are cancelled. I will check to see if any other staff have left and make sure that all credit cards and corporate accounts have been cancelled.

During the course of our conversation, I asked Bonnie about members getting their bills at home. She said that all or any portion of the bills could be sent to the members at whatever address they request. She indicated that the billing information would still become public information because any billing that goes through state processes becomes public information.

Members wishing to have the billing address changed on all or a portion of the phone bill should send me a memo, detailing how they want their billing handled. I would then process the request and keep the requests on file in case of future questions.

cc: Maureen Novak, Executive Assistant to the Speaker

FEB 2 1995

TBILLRPT

MNET

W9410145 PAGE 0305

TELECOMMUNICATIONS STATEMENT FOR PERIOD OF OCTOBER 1994

ACCOUNT
SUBACCOUNTSTPL544
238HOUSE ~~WELLES ALA~~

DEPARTMENT 31

612-296-6206

296 6206

DEPT/DIV

31000

LEGISLATURE-HOUSE

MNET/VOICE NETWORK USAGE

DATE	TIME	ORIGINATION	DESTINATION	DAC	NUMBER	LABEL	MIN	ACCT CODE	CHARGES
10-28	13:34	ST PAUL	MN SPICER	MN	8 612 796-6103	WATS	2		.26
CALLS 1 MINUTES 2.00									.26

SUB TOTAL
TOTAL USAGE

.26

TOTAL FOR STATION #

.26

612-296-6206

235 5029

MNET/VOICE NETWORK USAGE

DATE	TIME	ORIGINATION	DESTINATION	DAC	NUMBER	LABEL	MIN	ACCT CODE	CHARGES
09-06	21:59	WILLMAR	MN ST PAUL	MN	612 454-6795	WATS	26		3.38
09-14	19:24	WILLMAR	MN ST PAUL	MN	612 482-0756	WATS	1		.13
09-18	17:55	WILLMAR	MN ST PAUL	MN	612 454-6795	WATS	1		.13
09-18	20:38	WILLMAR	MN ST PAUL	MN	612 454-6795	WATS	3		.39
09-23	11:38	WILLMAR	MN ST PAUL	MN	612 296-6196	WATS	2		.26
09-28	17:28	WILLMAR	MN MINNEAPOLIS	MN	612 624-8144	WATS	3		.39
10-04	19:54	WILLMAR	MN SEATTLE	WA	206 784-7019	WATS	1		.13
10-04	20:21	WILLMAR	MN ST PAUL	MN	612 633-6196	WATS	9		1.17
10-13	20:10	WILLMAR	MN ST PAUL	MN	612 739-9733	WATS	1		.13
10-13	20:11	WILLMAR	MN MINNEAPOLIS	MN	612 925-2137	WATS	10		1.30
10-16	13:49	WILLMAR	MN MINNEAPOLIS	MN	612 925-2137	WATS	8		1.04
10-19	16:58	WILLMAR	MN MINNEAPOLIS	MN	612 925-2137	WATS	6		.78
10-20	14:47	WILLMAR	MN MINNEAPOLIS	MN	612 339-1290	WATS	1		.13
10-21	21:38	WILLMAR	MN MELROSE	MN	612 256-4450	WATS	13		1.69
10-24	16:37	WILLMAR	MN MINNEAPOLIS	MN	612 545-7171	WATS	3		.39
10-26	19:10	WILLMAR	MN ST PAUL	MN	612 482-0756	WATS	1		.13
10-27	20:19	WILLMAR	MN ST PAUL	MN	612 454-6795	WATS	1		.13
10-27	21:24	WILLMAR	MN ST PAUL	MN	612 454-6795	WATS	1		.13
10-28	18:12	WILLMAR	MN ST PAUL	MN	612 454-6795	WATS	4		.52
10-28	18:34	WILLMAR	MN LUVERNE	MN	507 283-4243	WATS	6		.78
CALLS 20 MINUTES 101.00									13.13

SUB TOTAL
TOTAL USAGE

13.13

TOTAL FOR STATION #

13.13

13.39

Attachment 10



901 Marquette Avenue
Minneapolis, MN 55402-3233

February 9, 1995

Ms Bonnie Plummer
State of Minnesota
658 Cedar Street
St. Paul, MN 5515

Dear Ms. Plummer:

In response to your request, I have investigated the circumstances surrounding account number 612-235-5029. AT&T acknowledges receipt of a request to remove this number from the Software Defined Network (SDN) data base from the Inter-technologies Group on October 11, 1994. This request was inadvertently not processed correctly in our system. This error allowed long distance calls to continue to be placed on the network by that number.

AT&T acknowledges responsibility for the error and will remove all long distance billing for that number from the State of Minnesota account. To date the calls total \$22.79 plus tax. In addition AT&T is evaluating current procedures and will be making changes, where necessary to ensure future occurrences of this kind will not happen.

I apologize for any confusion or inconvenience this may have caused. If you have any further question, please contact me on 612-376-5306.

Sincerely ,

A handwritten signature in cursive script that reads "Tony P. Iano".

Tony P. Iano
Sales Manager

cc: D. Gorman

Administrative Services

198 State Office Building
St. Paul, Minnesota 55155
(612) 296-6648
Fax: (612) 296-1563



Minnesota House of Representatives

Irv Anderson, Speaker

February 9, 1995

Mr. Alan W. Welle
3100 Eagle Road North
Willmar, MN 56201

Dear Mr Welle:

As a former member of the Minnesota House of Representatives, certain privileges you enjoyed as an elected official are no longer available. This letter is to inform you that we have instructed the Department of Administration to cancel any House telephone credit card number (MNET) and any Corporate Home Account that you may have had.

As you know, House policy provides that long distance telephone facilities and services provided and paid for by the House are for use by members for official legislative and state business only.

Also, we are requesting that you return any equipment, keys or any other item in your possession that is the property of the House of Representatives. Your cooperation in this matter is appreciated.

Thank you for your dedicated service to the House of Representatives and to the State of Minnesota.

Sincerely,

A handwritten signature in cursive script that reads "Paul Schweizer".

Paul Schweizer,
House Controller