

Special Review

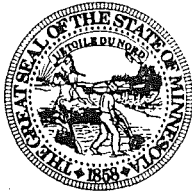
Certain Expenses for the Former President of the Arrowhead Community College Region

November 1996

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Financial Audit Division
Office of the Legislative Auditor
State of Minnesota

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STATE OF MINNESOTA

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Arrowhead Community Colleges Foundation

We have conducted a special review of allegations involving Dr. Greg Braxton-Brown during his employment as President of the Arrowhead Community College Region (ACCR). The allegations pertained to specific financial transactions from which Dr. Braxton-Brown allegedly benefited personally and a decision he made which allegedly involved a conflict of interest. We discuss the issues involved more fully in the individual chapters of this report.

We received other allegations concerning either Dr. Braxton-Brown's tenure as President of the ACCR or as Chancellor of the Minnesota Community College System which are not addressed in this report. We obtained Dr. Braxton-Brown's responses and other information on these issues and decided not to pursue them further.

In accordance with 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 also referred this report to the Minnesota State Colleges and Universities system office and the ACCR Foundation to determine the impact of the issues on their operating policies and procedures.

James R. Nobles
Legislative Auditor

John Asmussen
Deputy Legislative Auditor

Report Signed On: October 28, 1996

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Audit Participation

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

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Chapter 1. Background, Objectives, and Methodology

Dr. Greg Braxton-Brown served as the President of the Arrowhead Community College Region (ACCR) from March 16, 1993, to June 29, 1995. He also was the Chancellor of the Minnesota Community College System from November 17, 1994, to June 30, 1995. In addition, he was appointed Distinguished Senior Fellow for Academic Affairs by the Minnesota State Colleges and Universities System (MnSCU) for the last six months of employment with the State of Minnesota, from July 1, 1995, to December 31, 1995.

The ACCR was comprised of the following community colleges prior to the MnSCU merger: Hibbing, Itasca, Vermilion, Mesabi, Rainy River, Fond du Lac, and Duluth. As President of the Arrowhead Community Colleges Region, Dr. Braxton-Brown had direct authority and responsibility over the colleges located in the region. In addition, each college in the region was headed by a chief administrative officer that was responsible for the day-to-day operations of the college. During the time period covered by our review, the Arrowhead Community College Region maintained a central office that was responsible for coordinating the administrative oversight for the colleges located in the region.

We received complaints from several individuals regarding certain financial transactions involving Dr. Braxton-Brown and decisions he made. In conducting the special review into these allegations, we contacted personnel from MnSCU and the former Minnesota Community College System. We reviewed documentation from the ACCR business office and the ACCR Foundation. In addition, we exchanged correspondence with Dr. Braxton-Brown on several occasions and examined supporting documentation included in his responses to our inquiries.

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Chapter 2. Specific Financial Transactions Resulting in Personal Benefits

Chapter Conclusions

Dr. Greg Braxton-Brown received inappropriate personal benefits from certain expenditures made during his term as President of the Arrowhead Community College Region (ACCR). The inappropriate personal benefits, totaling \$2,149, included additional lodging and recreational expenses for him and his family at a professional development conference in Colorado. The personal benefits also included the purchase of a parka and an exercise bike that were available for his exclusive use during his state employment. The ACCR and the ACCR Foundation paid these expenses.

Our objective was to determine if Dr. Braxton-Brown had received inappropriate personal benefits from certain financial transactions while he served as the President of the ACCR. Table 2-1 highlights the expenses paid by the ACCR or the ACCR Foundation that inappropriately benefited Dr. Braxton-Brown while he was President of the ACCR. The expenses relate to a professional development conference held in Colorado and the purchase of an exercise bike and a parka for Dr. Braxton-Brown. We discuss these issues in the following sections of this report.

Table 2-1
Personal Expenses Paid from ACCR or ACCR Foundation Funds

<u>Source of Funds</u>	<u>Description</u>	<u>Dollar Amount</u>
ACCR	Additional Lodging Costs, Colorado Trip	\$ 534
ACCR	Travel Charged as Regular Work Days, Colorado Trip	728
ACCR	Exercise Bike	495
ACCR Subtotal		<u>\$1,757</u>
ACCR Foundation	Parka	\$ 133
ACCR Foundation	White Water Rafting Tickets, Colorado Trip	259
ACCR Foundation Subtotal		<u>\$ 392</u>
Total		<u>\$2,149</u>

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Professional Development Conference in Breckenridge, Colorado

In July 1994, Dr. Braxton-Brown, his wife, Ruth A. Braxton-Brown, and their three children traveled to Breckenridge, Colorado to attend two American Association of Community Colleges (AACC) professional development conferences: the Development Institute for Deans and the President's Summer Conference. The ACCR and the ACCR Foundation paid additional costs of \$1,521 associated with this trip because of Dr. Braxton-Brown's decision to bring his family to Colorado, and because he recorded two travel days as regular work days.

Dr. Braxton-Brown drove a state-owned vehicle to Colorado. Although this was the least expensive mode of transportation, the Department of Administration, Travel Management Division policies specify that only authorized personnel are permitted to ride in state-owned vehicles. Family members are not considered authorized personnel. Although Ruth A. Braxton-Brown was a faculty member of Itasca Community College, she was not representing the college at this conference. Dr. Braxton-Brown was able to forego a substantial personal cost by transporting his family in the state car.

The ACCR paid additional lodging costs of \$534 for Dr. Braxton-Brown and members of his family while in Colorado. Room charges of \$143.42 per night exceeded the rate paid by other conference attendees by \$59.35 per night for nine nights.

The ACCR Foundation also purchased five river rafting tickets (in February 1994) totaling \$259 to be used by Dr. Braxton-Brown, his wife, and three children during the conference in Colorado. We concluded that the river rafting activity was a personal expense rather than a business expense. Registration information from the AACC President's Academy Summer Experience described the river rafting excursion as an "optional" and "fun activity." Ultimately, the family did not use the river rafting tickets, but a refund was not obtained.

Dr. Braxton-Brown and the AACC Development Director contend that family attendance at the conference and family participation in the river rafting activity was an integral part of the conference. According to a letter written by the AACC Director of Professional Development: "Both family participation and the white water rafting trip are directly connected to one of our primary goals of the Summer Experience: to assist presidents in establishing a network that will support the president in the rigors of the job and ultimately contributed to the success of the college." Nevertheless, we concluded that public funds should not have been used to pay for either the river rafting tickets or the family members' additional lodging costs.

Dr. Braxton-Brown should also have taken personal leave on July 27-28, 1994, the days spent traveling from Colorado to Grand Rapids. The amount in question for these two days is \$728. The Department of Finance travel expense policies require that if travel occurs during normal workdays, vacation leave must be used for any time over and above that required for air travel.

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Other Purchases

In addition to the Colorado expenses, the ACCR purchased an exercise bike for \$495 with college funds in April 1994. Dr. Braxton-Brown contends that the bike was purchased as part of the ACCR's wellness program. Based on the available documentation, however, until he returned the bike at the time of his termination from state employment, Dr. Braxton-Brown maintained the exercise bike for his exclusive personal use.

Also, in December 1993 the ACCR Foundation purchased a winter parka for \$133 to be used by Dr. Braxton-Brown. The parka had an Arrowhead insignia on it. In response to our inquiries, Dr. Braxton-Brown stated that the parka was a winter survival coat that was stored in the state vehicle assigned to him. He indicated he used the parka during the winter for weather emergencies and official responsibilities such as visiting campuses located in the region, inspecting boilers, and dedicating a football field. Dr. Braxton-Brown returned the parka upon termination of his state employment. We concluded that public funds should not have been used to purchase personal items such as clothing or an exercise bike that was not available for other college employees to use.

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Chapter 3. Potential Conflict of Interest Decision

Chapter Conclusions

During his term as President of the ACCR, Dr. Greg Braxton-Brown made a decision that resulted in a conflict of interest. He approved an out-of-state travel request of Ruth A. Braxton-Brown, his wife, while she was a faculty member of Itasca Community College.

We reviewed whether or not Dr. Braxton-Brown's decision to approve his wife's out-of-state travel request to attend a conference in Tennessee resulted in a conflict of interest.

The ACCR reimbursed Ruth A. Braxton-Brown \$1,694 in July 1994 for travel expenses incurred while attending a conference in Knoxville, Tennessee. Dr. Braxton-Brown approved his wife's travel advance and then directed the ACCR business manager to approve the travel settlement. Dr. Braxton-Brown stated that in approving this request he was attempting to preserve a rural interpreter training program at Itasca Community College due to the resignation of an instructor. We concluded that it was a conflict of interest for Dr. Braxton-Brown to approve his wife's travel request. Minn. Stat. Section 43A.38, Subd. 5 (a), cites as a conflict of interest the use of an employee's official position to secure benefits for the employee or employee's family which are different from those available to the general public.

Minn. Stat. Section 43A.38, Subd. 7, provides for the resolution of conflicts of interest by assigning the matter to another employee, or if that is not possible, to notify interested parties of the conflict. Dr. Braxton-Brown stated that as President of the ACCR he was authorized to approve these expenses. He also indicated that he informed his superiors of any potential conflicts of interest during his employment. The then-chair of the Minnesota State Board for Community Colleges confirmed to us that he was notified of Dr. Braxton-Brown's decision to approve his wife's travel request. Nevertheless, we believe that Dr. Braxton-Brown could have readily assigned this decision to another employee. Each campus in the ACCR has a chief administrative officer who is responsible for the day-to-day operations of the respective college.