

March 10, 2026

Representative Hudson and Public Safety Committee Members,

Minnesota is the best place to raise a family because we are committed to delivering evidence-based services through programs that improve lives. Fraud against these public programs is a crime that hurts Minnesotans. Any amount of fraud is too much, and in Minnesota, it will be met with zero tolerance. The administration will fully prosecute anyone who steals from taxpayers and ensure they are held accountable under the law.

I can appreciate the committee's interest in considering updating criminal penalties responsive to the current situation we face where criminals are attempting to defraud state programs. Relevant to this committee's work, the Governor has proposed creating a new Theft of Public Funds statute, increasing criminal penalties by 20 percent. He also is proposing to extend the statute of limitations to seven years for certain fraud-related crimes, including securities fraud, theft by swindle, receiving stolen property, fraudulent statements made to injure or defraud, failure to pay over state funds, and presenting false claims to a public officer.

MMB has identified a number of concerns in HF 3822:

- In the event there are concerns with an employees' job performance, it is more appropriate to use progressive discipline outlined in Chapter 43A and collective bargaining agreements and plans rather than criminal penalties. State employees in classified positions can be disciplined up to and including discharge, for misconduct after the elements of just cause are established. A critical component to establishing just cause is that a fair, thorough and complete investigation into allegations of employee misconduct occurs. After determining that a violation has occurred, an agency leader determines the level of discipline based on a number of factors, such as the severity of the misconduct and any mitigating factors.
- Minn. Stat. 609.43 is too broad to add such severe criminal penalties. The statute covers many different kinds of conduct, from serious abuse of power to procedural mistakes. A one-size-fits-all penalty increase ignores the wide variation in severity among potential violations.
- If a public employee were to attempt to defraud a state program, existing and more specific crimes are already established in our statutes with stronger penalties.

I look forward to working with you this session to find agreement on opportunities to aid state agencies in preventing, detecting, investigating, and holding accountable those who commit fraud in Minnesota's state programs.

Sincerely,



Erin Campbell
Commissioner