



April 13, 2026

Representative Robbins and State Government 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 they are held accountable under the law.

I can appreciate the interest in updating criminal penalties for criminals who have defrauded state programs. 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.

We agree that bad actors need to be held accountable. However, HF 4664 is the latest example among several legislative proposals this session that are unnecessary in the context of existing statute and written so broadly that they risk criminalizing employees performing their work in good faith.

The state already has processes for addressing employee performance and misconduct. Minnesota Statutes, chapter 43A, collective bargaining agreements, and compensation plans already provide for employee discipline. Agencies take matters of employee performance and misconduct seriously. If allegations are substantiated by an investigation, employees are disciplined as appropriate, up to and including discharge.

Moreover, employees may already be subject to criminal penalties for certain misconduct, including but not limited to the offenses set forth in Minnesota Statutes, sections 43A.39 and 609.415 to 609.465, as applicable. With these procedures and criminal penalties already in place, it is not clear what purpose this bill will serve.

As written, this bill is too broad and may subject employees acting in good faith to severe criminal penalties:

- Section 1 is vague and does not appropriately address an employee's intent. At present, state employees are required by state law and policy to report the misuse of public money and public resources to the legislative auditor (OLA). Because the bill as currently drafted makes it a gross misdemeanor simply to provide documents to the OLA "knowing that the documents . . . are false," this may be read to create risk of criminal penalty for those employees endeavoring to meet their reporting obligations.

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- Section 2 applies severe criminal penalties too broadly. Minnesota Statutes, section 609.43 applies to misconduct ranging widely in its potential severity. The added penalty in paragraph (b) may not strike an appropriate balance between criminal penalty and conduct of public officials.
- The proposed 10-year limitation provided in Section 4 exceeds the limits set in other significant offenses relating to fraud:
 - Bribery of or by a public official has a 6-year statute of limitations (Minn. Stat. §§ 628.28(d) and 609.42, subd. 1(2))
 - Medical Assistance fraud has a 6-year statute of limitations (Minn. Stat. §§ 628.26(g), 609.446 and 609.52, subd. 2(a)(3))
 - And certain thefts, identity theft, check forgeries, credit card frauds, and financial exploitation of vulnerable adults exceeding \$35,000 have a 5-year statute of limitation (Minn. Stat. §§ 628.28(h), 609.2335; 609.52, subd. 2(a)(3)(i)(ii), (4), (15), and (16); 609.631; 609.821; 609.527)

As public employers, state agencies hold their employees to the highest standards of honesty, integrity, and ethical behavior. Executive branch agencies and their employees take seriously their duty to the people of Minnesota and are committed to serving the public interest. To this end, appropriate policies, procedures, and standards—including existing applicable criminal penalties—ensure that agency employees are held accountable for misconduct.

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
Minnesota Management & Budget