

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 7
Version: Second engrossment
Authors: Winkler and others
Subject: Misuse of State Funds
Analyst: Mark Shepard

DATE: April 2, 2009

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: www.house.mn/hrd.

Section

- 1** **Financial audits.** Expands the scope of the requirement for the Legislative Auditor to investigate allegations of noncompliance in the course of financial audits by eliminating the limitation to state employees and employees of agencies listed in this subdivision.
- 2** **Legislative Auditor duties.** Provides that when the Legislative Auditor determines that a state official or employee has used money for a purpose other than the purpose for which the money was appropriated, the Auditor must report this to the Legislative Audit Commission, the Attorney General, and the appropriate county attorney. Current law requires these reports when the Legislative Auditor finds a misuse of public money or other public resources.
- 3** **Misappropriation of money.** Provides a gross misdemeanor penalty for a state official or employee of a department in the executive, legislative, or judiciary who intentionally uses money appropriated by law or fees collected, knowing that the use is for a purpose other than the purpose for which the money has been appropriated.
- 4** **Best practices for investigations.** Requires the commissioner of finance to develop and make available to state appointing authorities a best practices policy for conducting investigations in which the appointing authority compels its employees to answer questions about allegedly inappropriate activity. Requires that the policy be designed to facilitate effective investigations without compromising the ability to prosecute criminal cases when appropriate. Requires appointing authorities to follow the policies or to develop their own.