

Minutes
Legislative Audit Commission
June 11, 2024

Members Present:

Representative Patti Anderson
Representative Emma Greenman
Representative Rick Hansen
Representative Fue Lee
Representative Duane Quam
Senator Calvin K. Bahr
Senator D. Scott Dibble
Senator Steve S. Draskowski
Senator Mark W. Koran
Senator Ann H. Rest

Members Absent

Representative Steven Jacob
Senator Tou Xiong

Representative Rick Hansen, Chair, called the Legislative Audit Commission meeting to order at 8:59 a.m. The meeting's purpose was to hear OLA's performance audit, *Minnesota Frontline Worker Pay Program*.

Chair Hansen introduced Judy Randall, Legislative Auditor, and Ryan Baker, Audit Director. Ms. Randall explained that in 2022, the Legislature established the Frontline Worker Pay Program, to provide payments to frontline workers whose work put them at risk of contracting COVID-19 during the peacetime emergency. The Legislature appropriated \$500 million to be paid to eligible applicants who worked in frontline sectors, which were determined by the law. The state paid over one million applicants a little over \$487 each.

Ms. Randall explained that OLA could confirm eligibility for about 60 percent of applicants; for the remaining 40 percent of applicants, OLA either could not determine their eligibility or they were, in fact, ineligible. She then turned to Mr. Baker to present the report's key findings and recommendations.

Mr. Baker said the audit focused on the roles of the departments of Labor and Industry (DLI) and Revenue (DOR); Minnesota IT Services (MNIT); and three contractors: Authenticate, Veriff, and Submittable. The Department of Employment and Economic Development (DEED) also had a role but complied with program requirements.

Mr. Baker explained OLA's eligibility testing and gave examples of fraud indicators OLA identified for some applicants. He said that OLA recommended that DLI recoup payments made to ineligible applicants and review applications with fraud indicators to determine if payments were made to ineligible individuals. Mr. Baker added that program data was not always retained and was therefore unavailable to help verify applicants. He noted that OLA recommended that MNIT include data retention provisions in all contracts, ensure data is properly retained by all parties, and ensure the proper destruction of data when no longer needed.

Chair Hansen opened the meeting for members' questions and discussion. Members discussed the policy and risk considerations that the Legislature contemplated when it established the program, including the Legislature's decision to rely on applicants' self-attestation.

Chair Hansen invited Nicole Blissenbach, DLI Commissioner, to the table. Commissioner Blissenbach testified that DLI believed that OLA's findings were not supported by the language or intent of the legislation, adding that DLI believed the Legislature considered the risk of self-attestation when implementing the program. She added that DLI did work to prevent fraud during the program.

Chair Hansen next invited Paul Marquart, DOR Commissioner, to speak and respond to questions. Commissioner Marquart spoke to the program's legislation not requiring a tax return even though income was one of the eligibility criteria. For future programs, he recommended the Legislature require a tax return to have been filed by a certain time. He said DOR was in the process of recouping funds from those who may have inappropriately received a payment.

Due to time constraints, Evan Rowe, DEED Deputy Commissioner, was not called upon to respond to the commission.

Chair Hansen took final questions and comments from members before adjourning the meeting at 10:47 a.m.

Representative Rick Hansen, Chair

Maureen Garrahy, Recording Secretary