## September 24, 2014

Senator Sandra L. Pappas, Chair Senate Rules Subcommittee on Ethical Conduct 120 State Capitol Building 75 Rev. Dr. Martin Luther King Jr. Blvd. St. Paul, MN. 55155

Dear Madam Chair,

Attached to this letter are two distinct complaints regarding the conduct of Senator Jeff Hayden. The complaints are prepared pursuant to the provisions of Senate Permanent Rule 55. By the delivery of this letter and the attached complaints, it is herby filed pursuant to Rule 55. We ask for the Subcommittee on Ethical Conduct to investigate these matters and take action in accordance with this Rule.

We look forward to the Subcommittee acting on these complaints.

Sincerely,

Senator David Hann

Senator Dave Thompson

Jane Moore

Senator Dan Hall

Serator Michelle Bensel

Senator Eric Pratt

Senator Roger Chamberlain

## COMPLAINT TO THE SUBCOMMITTEE ON ETHICAL CONDUCT REGARDING THE ACTIONS OF SENATOR JEFF HAYDEN

Senators David Hann, Michelle Benson, David Thompson, Eric Pratt, Roger Chamberlain and Dan Hall, each being first duly sworn, state and allege under oath the following based upon information and belief:

Complaint 1: Sen. Hayden used his influence as a State Senator and Deputy Majority Leader to unduly influence the Minneapolis School Board to approve a \$375,000 contract to an organization that financially benefited his friends and family members.

- 1. On March 11, 2013, Sen. Jeff Hayden authored SF 1214, a bill appropriating \$350,000 for a grant to the Minneapolis School District for a community engagement and empowerment project with Community Standards Initiative (CSI) to reduce the achievement gap.
- According to a StarTribune article dated September 12, 2014 (North Side school
  effort called failure), Sen. Hayden and Sen. Bobby Jo Champion "threatened to
  withhold state aid if Minneapolis school officials did not approve the contract."
- 3. According to the StarTribune, the Minneapolis School District agreed to contract with CSI on their own, without the legislature earmarking specific funds for this purpose.
- 4. The Minneapolis School Board subsequently entered into a \$375,000 contract with CSI in May of 2014 without a competitive bid process. The District made the first payment to CSI in May for \$46,875.
- 5. Sen. Hayden's father, Peter Hayden is known to be associated with and possibly employed by Community Standards Initiative (CSI). A StarTribune article dated August 19, 2014 (*Mpls. cops fall short on diversity*) quoted Peter Hayden as "part of the Community Standards Initiative, a group seeking more diversity."
- 6. Sen. Hayden has not denied his role in pressuring the Minneapolis School District to award a contract to a group his father is involved with and possibly receiving money from, saying only that the idea he and Champion bullied or threatened the school district is "inappropriate language to use."
- 7. The Minneapolis School Board recently announced CSI has yet to meet its goals and is not on track to meet its obligations. CSI will not receive additional funds if they are unable to fulfill the terms of the contract.

Complaint 2: Sen. Hayden participated in the misuse of federal, state and local funding by accepting trips and other perks such as per diem as a member of the Board of Community Action Minneapolis.

- 1. Sen. Hayden serves as a board member for Community Action Minneapolis. Sen. Hayden appointed his wife, Terri Hayden, to serve on the board in his place.
- An August 7, 2014 audit of Community Action Minneapolis by the Minnesota
  Department of Human Services found that board members provided inadequate
  oversight of operations and that board members and their spouses received
  undocumented or unallowable reimbursements for lodging, food, spa treatments
  and golf.
- 3. The audit by Human Services also found that board members received per diem payments, which are not established as authorized or allowable payments in the board by-laws, except for reimbursement of expenses for low-income board and committee members.
- 4. Sen. Barb Goodwin (DFL-Columbia Heights) told the StarTribune on September 23, 2014 (*Leaders intensify criticism of Community Action of Minneapolis*) Sen. Hayden "had a fiduciary responsibility and he wasn't watching the money. That's a bad thing."
- 5. Senate Rule 56 provides that members shall adhere to the highest standard of ethical conduct.
- 6. Senate Rule 56.3 provides that "improper conduct includes conduct that violates a rule of the Senate, violates accepted norms of Senate behavior, that betrays the public trust, or that tends to bring the Senate into dishonor or disrepute."
- 7. Sen. Hayden's acceptance of perks and per diem as a member of the Community Action Minneapolis Board violates accepted norms of Senate behavior, betrays the public trust and brings the Senate into dishonor or disrepute.
- 8. It is your complainants' belief that based on the above information Sen. Jeff Hayden violated Senate Permanent Rule 56.

Your complainants ask that the Subcommittee on Ethical Conduct investigate the details of this matter. Specifically, the Subcommittee should investigate the financial relationship between Sen. Hayden, his family and CSI. The Subcommittee should also investigate the specific benefits such as per diem, lodging, golf and spa treatments Sen. Hayden and his wife received from Community Action Minneapolis.

- 8. Senate Rule 56 provides that members shall adhere to the highest standard of ethical conduct as embodied in the Minnesota Constitution, state law and these rules.
- 9. Senate Rule 56.3 provides that improper conduct includes conduct that violates a rule of the Senate, violates accepted norms of Senate behavior, that betrays the public trust, or that tends to bring the Senate into dishonor or disrepute.
- 10. Senate Rule 56.4 provides that "members of the Senate shall disclose potential conflicts of interest in the discharge of senatorial duties as provided in Minnesota Statutes, section 10A.07."
- 11. Minnesota Statutes 10A.07 provides that a public official who in the discharge of official duties would be required to take an action or make a decision that would substantially affect the official's financial interests or those of an associated business, unless the effect on the official is no greater than on other members of the official's business classification, profession, or occupation, must disclose that action or decision and the nature of the potential conflict of interest to the presiding officer of their respective body.
- 12. Sen. Hayden's Statement of Economic Interest filed with the Minnesota Campaign Finance and Public Disclosure Board lists "Non-Profit Administrator" as his profession.
- 13. Sen. Hayden misused his influence as a State Senator and Deputy Majority Leader to unduly influence the Minneapolis School Board to approve a \$375,000 contract to an organization that financially benefited his friends and family members, and possibly himself.
- 14. There is no evidence Sen. Hayden disclosed his conflict of interest in CSI to the President of the Senate or the public.
- 15. Sen. Hayden's conduct violates accepted norms of Senate behavior, betrays the public trust and brings the Senate into dishonor or disrepute.
- 16. It is your complainants' belief that based on the above information Sen. Jeff Hayden violated Senate Permanent Rule 56.

Your complainants respectfully request that all hearings on this matter be open to the public.

Your complainants ask that the Subcommittee on Ethical Conduct find that Sen. Jeff Hayden violated Senate Permanent Rule 56 and Minnesota Statutes 10A.07 and that it recommends such disciplinary action as the Subcommittee finds appropriate.

Date: September 24, 2014

Senator David Hann

Senator David Thompson

**Senator Eric Pratt** 

Senator Dan Hall

Senator Michelle Behson

Senator Roger Chamberlain

Subscribed to, and sworn before me, a notary public, on September 34, 2014

John Franky

