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RE: SF0263 Yearly OLA Nonprofit Reports

Dear Senators of the State and Local Government Committee and Authors of SF0263,

Applause to each of you for your hard work. OLA staffing is a difficult topic that needs immediate attention with additional staff and reporting. Creating positions within the bipartisan Office of the Legislative Auditor (OLA) is a must as reports and obvious nonprofit misuse of public and private funds continue. Further moving all grants to the Administration's Office of Grants Management is vital to crafting a single net whereby all grant recipients must be scrutinized by State standards; this isn't happening.

The OLA receives complaints from Minnesotans and are investigated according to an unknown priority and staff time. Staffing has become the primary reason for refusal to review the smallest of complaints and requests, even those with ample evidence of theft by nonprofits.

I encourage SF0263 include additions to the proposed yearly report requirement and ask that all grants be controlled by the Office of Grants Management (OGM) especially grants created by Legacy Amendment that was renewed by public vote in 2024. My knowledge of Legacy stops at Arts & Cultural Heritage, one of three pieces of the Legacy pie that is controlled entirely by the nonprofit Minnesota Historical Society. 501c3 organization Minnesota Historical Society is entrusted with millions of Legacy Amendment funds and has yet to be audited.

Each page of the fiscal note clearly identifies new spending. Unfortunately, only spending appears on the remaining pages. However, this new spending doesn't take anything away from the budget rather it insulates public spending by plugging seepage from grants developed using public funding. For example, Minnesota Historical Society (MNHS) takes no transparency in revealing how it spreads the Legacy funds Minnesota entrusts to the nonprofit. Even one section tosses a portion of the millions to the 501c3 and allows it to choose the "partnership" the charity deems worthy for accurate, authentic and balanced portrayal of Minnesota history.

OLA needs more hands to juggle all reported fraud, not just a few people deciding which claim is worth OLA's time. A six figure theft complete with legal documentation was refused for further investigation on January 14, 2025. I present below a brief chronology of OLA's involvement in an example of nonprofit theft and OLA's inability to address and stop further theft by the nonprofit Minnesota Historical Society. OLA did not advance this report to the Attorney General or any other government agency; MNHS is a semi-state agency under privilege by statutes, most within Chapter 138.

1. Minnesota Historical Society (MNHS), a 501c3 organization with statutory contracts within MN Statute putting [the entity within OLA's jurisdiction](#), received a large donation (\$50,000 or more) from Bob and Marveen Minish that under MNHS guidelines created an endowment.
2. Bob and Marveen Minish suspected funds from the endowment were not being used per the endowment contract and asked the OLA to look into the treatment of the Sibley Historic Site endowment and how it benefited the Site.
3. OLA released a "Special Review" entitled [Sibley Historic Site Endowment Expenditures \(12/19/2019\)](#) finding MNHS little record of how the endowment was used to benefit the Site's operating budget. Further, MNHS did not provide a standard operating budget for the Site. A standard operating budget is required to show proof of need for consideration of the Governor's budget. The "Special Review" suggested MNHS abide by donor wishes; MNHS submitted comments disagreeing with OLA's summary of actions, while Bob and CEO of the nonprofit MNHS, Kent Whitworth, submitted a joint response stating more care would be taken.
4. MNHS used plywood and ignored crumbling stairs at the front entrance of the historic home, a state-owned building and within the yearly budget for historic preservation funds addressed by the governor's budget and supplemental requests. Trusting MNHS and not knowing there were historic preservation funds available for the state-owned building, the endowment was led to believe repairs were outside any operating budget. MNHS did not share the governor's budget and supplement budget known to endowment members. The Special Report determined that this practice "substituted endowment funds for state revenues."
5. MNHS discontinued all communications with Bob Minish when Bob began asking for 2023 financial records. This includes Bob's participation on the Sibley Endowment Committee. MNHS's actions show a complete reversal of its promised actions in the 2019 Special Report. MNHS made one communication in the form an illegal offer to return endowment funds equating to a hush money offer. The offer, if taken, would have also removed the Minish's from the major donors group of the MNHS.
6. Bob contacted OLA to assist with investigation of over \$100,000 from the endowment after MNHS did not produce financial records for inspection. A few documents received by Bob or already in possession of OLA based on the 2019 "Special Review" confirmed the \$100,000 loss occurred overnight between June 30, 2019, to July 1, 2019. In an email exchange between September 2024 and January 2025, Legislative Auditor Judy Randall stated that the OLA would take no further action on the unexplained six figure loss (January 14, 2025) even though programs have been discontinued at the Site.

At present, Judy Randall, Legislative Auditor of OLA has suggested Bob and Marveen Minish seek legal assistance as no future investigation will take place. Bob's January 2, 2025 email cited a statute that OLA never acknowledged in its review of MNHS's behavior during the 2019 "Special Review" or since, Bob's material is spot on, includes statutes OLA did not apply to the situation and offers a clear cut request due to OLA's claims of lack of staff time. Bob's request:

Issue a demand to MNHS to provide to the OLA all of the financial records of the Sibley endowment fund since its inception in 2001 and make those records publicly available. (email from Bob Minish to Judy Randall, Legislative Auditor, December 5, 2025)

It is clear OLA was not aware of a Minnesota statute that applies to this situation or failed to note OLA had reviewed statutes 309.73 - .77, the Uniform Prudent Management of Institutional Funds Act and opted not to share why MNHS did not adhere to that Act. Bob provided details and application of the Uniform Prudent Management of Institutional Funds Act to OLA.

Bob provided evidence beyond nearly any Minnesota taxpayer's wildest dreams and any OLA staff by providing clear documentation presented by the nonprofit MNHS as well as application to all appropriate MN statute that Bob could find. In the end, Bob not only provided hours of free legal research that were not possible under Auditor Randall's statements and narrowed his request to a single action of OLA to obtain financial records of a single endowment (one of more than 200 within MNHS) so he could figure out where more than \$100,000 was placed within MNHS after it went missing the night of June 30, 2019.

Bob Minish is a retired attorney and available to answer questions and provide more detail regarding his frustrating experiences with OLA staff and Auditor Judy Randall.

More hands and yearly reports will begin to eliminate OLA's staff time cries.

More can be done for OLA and two other Departments that are mentioned in this bill – The Office of Grants Management (OGM), Special Review (OLA). This additional move will place OLA and OGM in view of more grant fraud that currently cannot be seen with the brightest Administrative flashlight.

Quickly, you may not realize grants are everywhere; no single authority has control or oversight of them. One example is Legacy Amendment, an endless black hole that controls millions generated by sales tax and was recently renewed in 2024. Legacy has not been audited, nor has the methods Legacy grant recipients. I speak only about the share of Legacy related to [Arts and Cultural Heritage](#). This piece of the sales tax pie shares nothing with OLA or OGM. In fact, Legacy gives MNHS its own little subsection of that piece of Arts and Cultural Heritage pie to spend and support other "partnerships" as MNHS sees fit – no questions, no transparency, just a black hole.

My plea to you is to move all Legacy Amendment control to OGM. This will eliminate confusion for grant applicants, cancel double dipping of precious state funding and identify more fraudsters while creating full transparency of every grant including its completion, final cost, and individuals responsible for or partaking in each grant. Currently Legacy has a [website](#) that shares some of the data including the completion date. The dates are horrifying.

Moving Legacy comes with additional funds that should move from the State's budget for MNHS to OGM providing for more state employees and more availability to answer questions from the public.

There is little reason I can think of to allow a nonprofit to control state grants while the nonprofit itself fails to meet basic authentic and balanced Minnesota History. A single example of MNHS's exit from true Minnesota history is rampant at Historic Fort Snelling. Names of historic places at that site were changed so MNHS could meet its \$15 million portion of the \$30 million price tag for the site's revitalization. Old Post Cemetery, Water Road, Building 18 no longer hold history; each holds an MNHS donor's name: Gale, Ecolab, and Plank.

Please merge all grants into the Office of Grants Management to streamline all available grants and form a level playing field for applicants and recipients. This will allow OLA and OGM an opportunity to watch for fraud, waste, and misuse of Minnesota tax dollars.

Thank you for taking on fraud through expansion of OLA staff. I am happy to answer your questions and will readily forward you Bob Minish's contact information as he is also willing to assist.

Sincerely,

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