

RULES & ADMINISTRATION SPECIAL SUBCOMMITTEE ON ETHICAL CONDUCT

March 20, 1996
Room 112 Capitol

Advisory Opinion Regarding Sen. LeRoy Stumpf and the Red Lake Watershed District

The subcommittee was called to order at 4:30 p.m.

PRESENT: Senators Frederickson, Novak, Reichgott Junge, Terwilliger

Sen. Reichgott Junge; opening remarks and introduction. Explanation of advisory opinion.

George McCormick, Senate Counsel; explanation of laws and rules re: conflict of interest.

Sen. Stumpf; testimony regarding involvement with Red Lake Watershed District (attached). Answered members' questions.

Lowell Enerson, Administrator, Red Lake Watershed District; testimony regarding activities of the watershed district and Sen. Stumpf's involvement. Answered members' questions.

Delray Larson, County Commissioner, Marshall County; Chair of Joint Powers Board
Testimony regarding beaver control programs, funding, and the involvement of Sen. Stumpf. Answered members' questions.

Peter Wattson, Senate Counsel; opinion of conflict of interest question. Presented attached materials.

The meeting adjourned at 6:40 p.m. The meeting was taped.

Respectfully submitted,

Marcia Seelhoff, Secretary

Sen. Ember Reichgott Junge, Chair

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RULES & ADMINISTRATION SPECIAL SUBCOMMITTEE ON ETHICAL CONDUCT

March 22, 1996
Room 112 Capitol

Advisory Opinion Regarding Sen. LeRoy Stumpf and the Red Lake Watershed District

The subcommittee was called to order at 3:45 p.m.

PRESENT: Senators Frederickson, Novak, Reichgott Junge, Terwilliger

Sen. Terwilliger indicated his support of the advisory opinion.

Sen. Reichgott Junge; presented advisory opinion.

Sen. Frederickson; comments regarding opinion and recommendations. Discussed possible action for future conflict of interest questions.

Sen. Stumpf; brief comments.

Sen. Frederickson moved that the advisory opinion be forwarded to the full Rules Committee for their information. The motion passed by voice vote.

Sen. Reichgott Junge; final comments.

The meeting adjourned at 4:00 p.m. The meeting was taped.

Respectfully submitted,

Marcia Seelhoff, Secretary

Sen. Ember Reichgott Junge, Chair

LeROY STUMPF
Senator 1st District
428 Riverside Ave.
Thief River Falls, Minnesota 56701
and
G-24 State Capitol Building
75 Constitution Avenue
St. Paul, MN 55155-1606
Phone: (612) 296-8660



Senate
State of Minnesota

March 18, 1996

TO: Senator Ember Reichgott Junge, Chair
Special Subcommittee on Ethical Conduct

FROM: Senator LeRoy Stumpf *LS*

RE: Ethics Committee Meeting

Pursuant to Rule 75 of the Permanent Rules of the Senate I am requesting an advisory opinion from the Senate Special Subcommittee on Ethical Conduct concerning my relationship with the Red Lake Watershed District.

I respectfully request that a hearing be held on this matter at your earliest possible convenience.

Thank you for your consideration of my request.

cc: Sen. Frederickson
Sen. Novak
Sen. Terwilliger
Peter Wattson



RED LAKE WATERSHED DISTRICT
Board of Manager's Minutes
May 26, 1994

The meeting was called to order by President Richard Dougherty at 9:00 a.m. at the Red Lake Watershed District office in Thief River Falls, MN.

Present: Arlan Fore, Gerhard Ross,
Verner Arveson, Russell Sander,
Leonard Moe, Richard Dougherty,
and Vernon Johnson

Others present: Lowell C. Enerson, Administrator
Neil McEwen, Legal Counsel
Brent Johnson, Acting Engineer

The minutes of May 12, 1994, were read by Secretary Sander. A motion was made by Johnson, seconded by Fore, and passed by unanimous vote that the board approve the minutes of May 12, 1994, as read.

A consulting contract with LeRoy Stumpf was reviewed by the board. Following discussion, a motion was made by Arveson, seconded by Johnson, and passed by unanimous vote that the board approve the contract with LeRoy Stumpf for consulting services, to be reviewed annually, and authorized President Dougherty sign the contract. (See attached contract)

The special meeting minutes of the May 23, 1994 Beaver Damage Control meeting were read by Secretary Sander. A motion was made by Moe, seconded by Fore, and passed by unanimous vote that the board approve the May 23, 1994 special meeting minutes on Beaver Damage Control, RLWD Project No. 110.

The Financial Report dated May 25, 1994, was reviewed by the board. A motion was made by Sander, seconded by Fore, and passed by unanimous vote that the board adopt for the record the May 25, 1994 Financial Report.

The 1994 membership dues for the International Coalition were reviewed by the board. A motion was made by Ross, seconded by Moe, and passed by unanimous vote that the board approve payment of the 1994 TIC membership dues in the amount of \$250.00.

A request from the City of East Grand Forks, requesting financial assistance in shaping and leveling river bank land, was reviewed by the board. A motion was made by Ross, seconded by Sander, and passed by unanimous vote that the board authorize maximum funding of \$5,000, to be matched by the City of East Grand Forks, for a riprap project in LaFave's Park and these costs be charged to RLWD Project 01.

CONSULTANT AGREEMENT
for
RED LAKE WATERSHED DISTRICT PROJECTS

We, the Red Lake Watershed District Board of Managers, hereinafter referred to as District, do hereby agree to contract with LeRoy Stumpf, hereinafter referred to as Stumpf, as a consultant for the period of twelve (12) months, beginning June 1, 1994. This contract will be reviewed annually at the last board meeting of April each year.

Stumpf shall work with and assist Administrator Enerson in work the District has delegated to Administrator Enerson, including but not limited to development of projects and financing for such projects throughout the Watershed District. Administrator Enerson may assign other work to Stumpf, as he deems necessary, in the furtherance of work delegated and assigned to Enerson by the District.

Stumpf shall provide progress reports on the development and financing of projects so the District may review these reports at the last meeting of each month, or as required by the District.

For the work performed as set forth above, Stumpf will be reimbursed \$12,000 per year, to be paid in 12 equal monthly payments, of \$1,000 each, on the first day of the month.

Richard Orskutz
President, Board of Managers
Red Lake Watershed District

May 26, 1994
Date

LeRoy Stumpf
LeRoy Stumpf, Consultant

May 26, 1994
Date

July 1, 1994

Edward Larson, Commissioner
Chair, Red Lake County Board
RR.
Oklee, Minnesota 56742

Dear Commissioner Larson,

It is my understanding that some members of the County Board have expressed some concern relating to the Watershed District Board's hiring me as a consultant.

The RLWD board requested some special help in several areas that I thought I could be of help. These areas include: researching grant funding opportunities for some projects, submitting grant application(s) for funding of these projects, help in developing new solutions to the ever increasing regulatory nature of doing business for the Watershed District, and help with several special drainage projects.

These responsibilities are important and support the Watershed District's overall work and benefit for our area.

I am qualified both in experience and academic credentials to work in this capacity. I have a Masters Degree in Public Administration and over the last many years, I have had the opportunity to work with many different agencies and organizations both public and private.

The work that the RLWD board has asked me to do is not part of my normal legislative responsibilities. There is no conflict of interest between this and my legislative position. As you know, legislators are very busy with their responsibilities but we still have a part-time citizen legislature where most of its members hold other jobs as well.

I hope this helps clear up any questions that you may have. I would appreciate you calling if you have any further questions.

Sincerely,

LeRoy Stumpf

cc Commissioner Benoit
Commissioner Seibel
Commissioner Nielson
Commissioner Amiot
County Attorney Geller

RED LAKE WATERSHED DISTRICT
Board of Manager's Minutes
October 13, 1994

The meeting was called to order by President Richard Dougherty at 9:00 a.m. at the Red Lake Watershed District office in Thief River Falls, MN.

Present: Leonard Moe, Richard Dougherty,
Verner Arveson, Russell Sander,
and Vernon Johnson

Absent: Arlan Fore and Gerhard Ross

Others present: Lowell C. Enerson, Administrator
Neil McEwen, Legal Counsel
Brent Johnson, District Engineer
LeRoy Stumpf, Consultant

The minutes of September 22, 1994, were read by Secretary Sander. A motion was made by Moe, seconded by Johnson, and passed by unanimous vote that the board approve the minutes of September 22, 1994, as read.

A progress payment for RLWD Project No. 99, Thief River Bank Stabilization, was reviewed by the board. Following the review, a motion was made by Johnson, seconded by Arveson, and passed by unanimous vote that the board approve the progress payment to Richard Olson for RLWD Project No. 99, Thief River Bank Stabilization, in the amount of \$750.00.

A progress payment for RLWD Project No. 67, Good Lake, Stage 3A, was reviewed by the board. Following the review, a motion was made by Sander, seconded by Moe, and passed by unanimous vote that the board approve the progress payment to Gladen Construction, Inc. for RLWD Project No. 67, Good Lake, Stage 3A, in the amount of \$4,921.95.

The Financial Report dated October 12, 1994, and investment summary were reviewed by the board. A motion was made by Moe, seconded by Arveson, and passed by unanimous vote that the board adopt for the record the October 12, 1994 Financial report.

The board discussed the fact that RLWD Projects No. 97 and 67, Stage 3A, were completed and a final payment hearing date should be set. A motion was made by Moe, seconded by Johnson, and passed by unanimous vote that the board schedule a final payment hearing for November 10, 1994, at 10:00 a.m. for RLWD Project No. 97, Red Lake River East Bank Stabilization, and Project No. 67, Good Lake, Stage 3A.

Consultant Stumpf stated he felt he would not have adequate time to work on grants during the upcoming legislative session. He has a heavy legislative workload and feels he should take a leave of absence as a consultant for the RLWD during the months of January through May, 1995. He would, however, like to continue on as a consultant beginning June 1, 1995. Administrator Enerson

Board of Manager's Minutes
October 13, 1994 Page Two (2)

stated it would be possible to make other arrangements during that time period. It was the consensus of the board that Consultant Stumpf could take a leave of absence during the 1995 legislative session.

Administrator Enerson stated the grant program for beaver control was going well. Consultant Stumpf reported on the programs with the three foundations during the past three weeks concerning funding for the Beaver Damage Control Project No. 110.

Administrator Enerson stated there is a problem with a legal drainage system on the Agassiz Wildlife Refuge where beaver dams have plugged the ditch. The Agassiz Refuge has promised to remove the dams. Administrator Enerson also informed the board that the beaver removal fee will be reduced from \$30.00 to \$10.00 when trapping season begins on October 29, 1994, and remain in effect until April 30, 1995.

Administrator Enerson stated the graveling by Davidson Construction on Good Lake, Stage 3B, should be completed by the first week in November. He also informed the board that Randy Wright will begin construction on RLWD Project No. 99, Thief River Bank Stabilization, on Saturday, October 15.

Correspondence was reviewed from the following: a letter from Robert Hensley of Doherty, Rumble, & Butler; a letter from Gary Nordstrom from the MN Soil Conservation Service; a letter from Kurt Deter of Rinkoonan; a letter from Don Ogaard, Executive Director of the Red River Watershed Management Board; a letter from Gretchen Mehmel of the Department of Natural Resources; and a letter from the Board of Water & Soil Resources.

The regular board meeting recessed.

At 10:00 a.m., President Dougherty called to order the final payment hearing for the following three phases of RLWD Project No. 67, Good Lake: Stage 2C, Riley Brothers Construction; Stage 2E, R.J. Zavoral & Sons, Inc.; and Stage 3C, Plummer Excavating, Inc. Administrator Enerson stated the hearing had been properly advertised and that no written or verbal objections were received. There were no public citizens in attendance. A motion was made by Sander, seconded by Johnson, and passed by unanimous vote that the board approve the following final payments for RLWD Project No. 67: Riley Brothers Construction for Stage 2C in the amount of \$3,987.94; R.J. Zavoral & Sons, Inc. for Stage 2E in the amount of \$7,849.50; and Plummer Excavating for Stage 3C in the amount of \$3,541.36. The hearing adjourned and is on video tape and available for viewing at the RLWD office.

The regular meeting reconvened.

LeRoy Stumpf

June 4, 1995

Lowell C. Enerson, Administrator
Red Lake Watershed District
P.O. Box 803
Thief River Falls, Minnesota, 56701

Dear Lowell:

It is good to be home again and turn my attention to some of the watershed issues that we worked on last summer and fall. I appreciate the watershed district's interest in pursuing the training seminar for watershed district board members. I also look forward to develop a funding package for beaver dam removal equipment. There maybe other specific projects of board interest that I could assist the watershed district in seeking funding or development.

It is my understanding that the funding of this proposal would be \$7000 or 10% whichever is greater. The payment would be made in three installments. The first payment of \$2000 would be due before June 15, 1995. The second payment of \$3000 would be due when the proposals would be submitted to the Red Lake Watershed District. The third payment of \$2000 would be due when the proposals are submitted to the funding agencies for funding.

The training seminar proposal would be submitted to the watershed board before June 30. The beaver equipment proposal would be submitted to the board in July and August.

Thank you for your consideration.

Respectfully


LeRoy Stumpf



426 Riverside Avenue South, Thief River Falls, MN. 56701, phone/fax (218) 681-3731
E-mail lstumpl@thiefriverfalls.polarisnet.net

aid 1st installment 6-13-95

RED LAKE WATERSHED DISTRICT
Board of Manager's Minutes
June 8, 1995

The meeting was called to order by President Leonard Moe at 9:00 a.m. at the Agricultural Research Center, U of M, Crookston, MN.

Present: Leonard Moe, Vernon Johnson,
Don Schirrick, Russell Sander,
Greg Hilgeman, Richard Dougherty,
and Gerhard Ross

Others present: Lowell C. Enerson, Administrator
Legal Consultant Delray Sparby
Engineer Brent Johnson
Tammy Audette, Secretary
Roger Clay, P.E., HDR

The minutes of May 25, 1995, were read by Secretary Dougherty. A motion was made by Sander, seconded by Schirrick, and passed by unanimous vote that the board approve the minutes of May 25, 1995, as read.

The minutes of the Special Board Meeting held June 7, 1995, were read by Secretary Dougherty. A motion was made by Ross, seconded by Sander, and passed by unanimous vote that the board approve the Special Board meeting minutes of June 7, 1995, regarding RLWD Project No. 113, Winsor/Hangaard - Clearwater County Petitions.

The Financial Report dated June 7, 1995, was reviewed by the board. A motion was made by Johnson, seconded by Ross, and passed by unanimous vote that the board adopt for the record the Financial Report dated June 7, 1995.

Administrator Enerson presented a billing from Kathryn Draeger, Sustainability International, requesting a progress payment. A motion was made by Sander, seconded by Schirrick, and passed by unanimous vote that the board approve the progress payment to Consultant Draeger, Sustainability International, in the amount of \$5,000, to pursue funding from public and private foundations for water quality projects.

A motion was made by Johnson, seconded by Sander, and passed by unanimous vote that the board approve a progress payment to Consultant LeRoy Stumpf, in the amount of \$2,000, to pursue funding for board training and beaver dam removal equipment.

The board reviewed a letter from Pennington County Soil and Water Conservation District (SWCD) regarding engineering assistance for a handicap ramp on the Red Lake River below the dam. A motion was made by Hilgeman, seconded by Dougherty, and passed by unanimous vote that the board authorize Administrator Enerson to proceed with this project and assign an engineer to develop the plans and specifications for bids on the handicap ramp, canoe landing, and fishing pier on the east bank of the Red Lake

Legislator had dual role in project

Stumpf says consulting job was not conflict of interest

By Dean Rebuffoni
Star Tribune Staff Writer

A veteran legislator who sponsored bills to get state funds for a beaver-control program in northwestern Minnesota received \$14,000 in consulting fees from the agency that ran the program, and is asking the Legislature to provide more funds to expand the effort.

Sen. LeRoy Stumpf, DFL-Thief River Falls, said in an interview that he does not believe his dual roles as a private consultant and a legislator created a conflict of interest.

He sponsored a bill in 1994 that provided \$50,000 to a coalition of six northwestern counties to control beavers, whose dams have flooded fields and roads.

Two weeks after his bill became state law, Stumpf was hired as a consultant by the Red Lake Watershed District Board, which had been picked by the counties to administer the beaver-control program. Much of Stumpf's legislative district is within the Watershed District's boundaries, and he has long championed its programs, including dams and other flood-control projects.

Stumpf was a consultant to the Watershed District for about seven months in both 1994 and 1995. According to Lowell Enerson, the district's administrator, the \$14,000 paid to Stumpf came from the agency's administrative account, which is derived from a property-tax assessment on residents in the district.

Turn to STUMPF on A12



Sen. LeRoy Stumpf worked for an agency that oversees a program he sponsored.

STUMPF from A1

Legislator worked for agency that runs program he sponsored

The \$50,000 that the Legislature appropriated because of Stumpf's bill went to the six counties in 1994 and last year. In turn, that money was paid to fur trappers and workers who demolished beaver dams.

Took leaves of absence

Stumpf said he was paid the \$14,000 largely to do two things: Organize seminars for the board members of watershed districts in northwestern Minnesota and to write grant applications to obtain funds to buy equipment that area counties could use to demolish beaver dams.

Stumpf, 51, is a farmer and 15-year member of the Legislature. He said he had never written a grant application nor had any experience in beaver control before being hired by the watershed board.

During an interview, Stumpf was asked why the agency would hire him despite a lack of experience in those areas.

"I like to think I do a good job in writing [grant applications], and I think I can gather information and present a project well," he replied.

Stumpf said he organized a two-day seminar last autumn that was attended by about 75 people. Although he sought grant money to buy equipment to demolish beaver dams from several groups, including nonprofit foundations, none provided any money.

At Stumpf's request, the Watershed Board granted him leaves of absence from his consulting job during the 1995 and current sessions of the Legislature. Asked if he plans to resume that job after the current session ends, Stumpf said he "might consider it, if there isn't a conflict of interest."

Stumpf said he had considered the conflict-of-interest question before beginning the consulting work two years ago.

"I certainly thought of the possibility," he said. But he said he concluded that there was no such conflict because "the beaver-control program is totally separate from what I do [for the Watershed District]."

Stumpf explained that, in his opinion, his pursuit of funds to

buy equipment to demolish beaver dams was unrelated to the use of public funds to trap beavers and destroy their dams.

Attorneys for the House and Senate have said that the only legal restraint is that legislator not take part in decisions when their unique interests are at stake. Gov. Arne Carlson has called for higher standard on such matters.

The head of a nonprofit group that advocates changes in campaign laws said he had concern about Stumpf's relationship with the Watershed Board.

"If you consider this situation at its worst, it looks like a quid pro quo," said David Schultz, former University of Minnesota political science professor who is president of Common Cause Minnesota. "At the next worst, it looks like a case of circumventing campaign finance laws. At its very least, this is a conflict-of-interest question."

Money vetoed in '95

Enerson, the Watershed District administrator, said Stumpf accepted his offer to be a consultant to the board in May 1994 shortly after that year's legislative session ended. Enerson, who is active in DFL politics in northwestern Minnesota, said he has contributed money to some of Stumpf's reelection campaigns.

Stumpf sponsored a bill last year that would have provided more state funds to expand the beaver-control program. The Legislature approved \$150,000, but Carlson used his line-item veto to eliminate the appropriation. He did so on the advice of the state Department of Natural Resources, which questioned the program's cost and its effectiveness in reducing beaver damage.

This year, Stumpf introduced a bill that would provide \$75,000 to renew the program and expand it to 17 northern counties. A companion bill that would provide \$300,000 to all 87 Minnesota counties was introduced in the House. Both bills were merged into other legislation, and a conference committee is trying to resolve differences between the two measures.

Bemidji
Pioneer
3-17-96

Stumpf attack tied to wetlands reforms

By BRAD SWENSON
Managing Editor

Local officials rushed to state Sen. LeRoy Stumpf's defense Saturday, saying that allegations of conflict of interest involving his work as a consultant for a state beaver control program is politically timed to his efforts to spearhead wetlands law reforms.

Stumpf, DFL-Thief River Falls, received \$14,000 in consulting fees in 1994 and 1995 from the Red Lake Watershed District, which serves as a fiscal agent for a six-county beaver control program under legislation he sponsored.

Although Stumpf had no experience in beaver control or in writing grant applications, he was hired to organize seminars and write grant applications to obtain funds to buy equipment for demolishing beaver dams, the Minneapolis Star-Tribune said Saturday.

"I can't speak highly enough about LeRoy Stumpf," Beltrami County Commissioner Dick Florhaug, a member of the six-county joint powers beaver control board, said Saturday. "He's the most hard-working person down there. He's done consultant work for some time; that's his summer job.

"They are trying to kill the wetlands bill, to make it end up like last year," Florhaug said, alleging that special interest groups wanting no changes in the Wetland Conservation Act worked to undermine Stumpf. Stumpf has been a leading proponent of wetlands reform, and carries the support of counties, including Beltrami, which refuse to adopt the act.

Stumpf

(Continued from page 1A)

Larson said Stumpf's role is no different than farmers sitting on the Agriculture Committee, insurance salesmen on the Commerce Committee, teachers on the Education Committee or public employees on the Government Operations Committee.

Florhaug was one of two county commissioners appointed to a governor's task force which worked to find a compromise on wetlands reform. Their recommendations were forwarded to the Legislature, with a conference committee slated to meet Monday to hammer out differences between House and Senate versions.

"Environmentalists don't want the bill tampered with," Florhaug said. "We spent 50 hours going over this — it was a compromise no one was happy with or totally unhappy."

Stumpf told the Star Tribune he saw no conflict of interest as the beaver control program is separate from his work as a consultant. He believes his pursuit of funds to buy equipment to demolish dams was unrelated to the use of public funds to trap beavers and destroy their dams.

"What's wrong with having a job in getting a government unit to find private monies?" Lowell Enerson, the watershed district administrator, said Saturday, indicating that Stumpf's job was to write grants for private funding. "It is not a conflict of interest. He's a consultant and that's not unheard of. The board thinks it's good to work with private foundations."

Enerson said the district has hired 13 consultants, including former Rep. Wally Sparby, DFL-Thief River Falls, and has had requests for contracts from two Twin Cities-area legislators. And he added that Rep. Tim Finseth, R-Angus, is carrying a House bill to provide \$300,000 for beaver control.

"This is wetland politics at its worst," said Dan Larson, lobbyist hired by the five original counties seeking wetlands reform. "With the wetland bill being decided this week the environmentalists in the Cities are using the Star Tribune to take cheap shots at LeRoy Stumpf.

"The preservationists feel the grip they have on our land is slipping because we are making progress in wetland reform and other areas," he said. "They are choosing to use their influence with the liberal media to take a low road by calling Sen. Stumpf's character into question."

□ See page 13A/ Stumpf

ERROR →
Wally Sparby
was never a
consultant
for the
Watershed
District.

Enerson said a representative of the Audubon Society met with him over a year ago about Stumpf's contract. "No doubt this is tied together," he said of the contract and Stumpf's wetlands work. "This story could have been done nine or 10 months ago. ... They're trying to put pressure."

Stumpf seeks review on contract

Senator says dual roles posed no conflict of interest

By Dean Rebuffoni
Star Tribune Staff Writer

Sen. LeRoy Stumpf, DFL-Thief River Falls, has asked a subcommittee on Senate ethics to review his consulting contract with a northwestern Minnesota agency, Senate Majority Leader Roger Moe said Monday.

"Senator Stumpf requested it so

that we can get all of the facts out to the public and so that the Senate Special Subcommittee on Ethical Conduct can make a decision on this," Moe said.

Stumpf's request was prompted by a Star Tribune article on Saturday. It reported that he sponsored a bill in 1994 that provided \$50,000 to a coalition of six northwestern counties to control beavers, whose

dams have caused damaging floods.

Two weeks after his bill became law, Stumpf was hired as a consultant by the Red Lake Watershed District, which had been picked by the counties to administer the beaver-control program.

The \$14,000 that he was paid in 1994 and 1995 came from the watershed district's administrative account, which is derived from a

property-tax assessment on residents in the district.

The \$50,000 that the Legislature appropriated because of Stumpf's bill went to the six counties, which used the money to pay fur trappers and workers who demolished beaver dams.

Turn to STUMPF on B2

STUMPF from B1

Stumpf asks subcommittee on ethics to review contract

Stumpf has said he does not believe that his dual roles as a legislator and private consultant created a conflict of interest. He also said he had consulted Senate counsel before taking the job and

was advised that it posed no conflict.

He said he was paid the \$14,000 largely to organize seminars for the board members of watershed districts in northwest-

ern Minnesota and to write grant applications to obtain funds to buy equipment that area counties could use to demolish beaver dams. Although he sought grant money from several groups, including nonprofit foundations, none provided any money.

Two prominent Republicans criticized Stumpf Monday for having been paid by the Red Lake Watershed District.

"From my perspective, [it's] a

clear conflict of interest," Gov. Arne Carlson said during a Capitol news conference.

In a news release, Senate Minority Leader Dean Johnson said, "It would sound to me like this is a conflict of interest. Senator Stumpf should either resign his position as a consultant and return the money, or he should resign from the Senate. He can't have it both ways."

Asked to comment on John-

son's remarks, Moe said: "We have a process for dealing with people who have been proven to have done something wrong. But just because somebody writes a story about somebody, that doesn't mean they've done something wrong."

The cochairman of the ethics subcommittee, Sen. Ember Reichgott Junge, DFL-New Hope, said she hopes it can meet Wednesday to review Stumpf's

consulting contract.

And Sen. Larry Pogemiller, DFL-Minneapolis, said of Stumpf, "I know of no member of the Senate with more integrity, so I would hope Republicans would check out the facts before fueling the flames with misinformation."

— The Associated Press contributed to this report.

Guns can aid civility

I commend the recent action of the Minnesota House of Representatives in adopting Rep. Bill Macklin's amendment to the crime bill which seeks to reform Minnesota's current unfair and predator-friendly concealed weapon carry laws.

Opposing the Minnesota amendment, Rep. Matt Entenza asked, "Now

Quit whining about Northwest

The Star Tribune continues to bash Northwest Airlines, the largest employer in the state of Minnesota (19,000 jobs). The people of the Twin Cities area have no idea how fortunate they are to have an airline based here. Northwest provides nonstop service to every major city in this area.

Senate Counsel & Research

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ST. PAUL, MN 55155
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JO ANNE ZOFF SELLNER
DIRECTOR

Senate

State of Minnesota

March 20, 1996

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To: Senator Ember Reichgott Junge
Senator Dennis R. Frederickson
Senator Steven G. Novak
Senator Roy W. Terwilliger

From: Peter S. Wattson, Senate Counsel *PSW*
296-3812

Subj: Work of Senator Stumpf for Red Lake Watershed District

The purpose of this memorandum is to set forth my analysis of the conflict of interest law and how it applies to the work of Senator LeRoy Stumpf as a consultant for the Red Lake Watershed District.

Senator Stumpf first asked me about this in a telephone call from his home in Thief River Falls in late June of 1994. He said a couple of his constituents, one of whom was a member of the Red Lake County Board, were questioning his employment by the watershed district. He was concerned about whether it was a conflict of interest. I pulled out a copy of the conflict of interest law, Minnesota Statutes, section 10A.07, and reviewed its provisions with him. After our conversation, he wrote a letter to the Red Lake County Board explaining his view of the situation. After he sent the letter, he heard no further objections from anyone, until the Audubon Society began questioning his employment a year or so later. I understand it is the Audubon Society's concern that led to the newspaper stories.

I don't have a specific recollection of what I told Senator Stumpf during our telephone conversation, but neither the statute nor my view of it has changed since then. I assume I said something like the following:

Our Constitution creates a part-time legislature. The Legislature is prohibited from meeting after the Monday after the third Saturday in May or for more than 120 days in a biennium. The reason we have a part-time legislature is so that we may have a citizen-legislature, filled with members who must spend the greater part of each year earning a living under the laws they have enacted. We have thought this is good, because it helps to keep legislators in touch with the real-world problems of their constituents. However, it also means that legislators may occasionally have conflicts between their official duties and their private employment.

Our conflict of interest law is primarily a disclosure law. It assumes that a public official will occasionally have conflicts of interest. This is especially true for legislators. When a conflict arises, a public official must disclose the conflict and ask to be excused from taking part in the action or decision in question.

The kinds of conflicts the law is concerned with are financial conflicts, ones where the personal financial interests of the official will be affected by a decision the official makes. The law describes a conflict of interest situation as one where:

A public official . . . 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 . . .

Minn. Stat. § 10A.07, subd. 1 (1994).

The question for Senator Stumpf was whether his work for the watershed district would give him a personal financial interest in the decisions he would be called upon to make as a legislator. Senator Stumpf was being asked to write grant applications for the watershed district to secure funding for district projects and to help with special drainage projects. He had a masters degree in public policy and had considerable experience working with agencies and groups to get their support for various proposals. He was being paid from the watershed district's property tax levy. He was not being paid to ask the Legislature for more money, and was not being paid with money received from the Legislature. That being true, there was no conflict of interest.

The conflict of interest law refers to decisions, not to positions. Senator Stumpf's taking a position with the watershed district was not a conflict of interest, but it could put him into a situation where, in the future, he would face a conflict of interest in decisions he would have to make as a legislator. For example, if, during a later legislative session, he were asked to carry or vote on a bill that would provide state money to the watershed district that would be used to pay his salary, he would have to decline to carry the bill and would have to ask to be excused from voting on it. On the other hand, his being employed by a watershed district would not disqualify him from carrying legislation affecting watershed districts generally, or even the Red Lake Watershed District in particular, unless the effect of the bill on his personal financial interests were greater than its affect on all watershed district employees.

Should the possibility that he might have to excuse himself from participating in some legislative issues have been sufficient reason for Senator Stumpf to decline the job with the Red Lake Watershed District? There may be differences of opinion on that. But, bear in mind the thousands of bills that are introduced each session and the thousands of votes that are taken, none having anything remotely to do with the Red Lake Watershed District. If there were one or two bills a year that might present a conflict of interest and from which he would have to excuse himself, would that be sufficient reason to decline the job with the watershed district? I would leave that decision to Senator Stumpf.

PSW:ph

cc: Senator LeRoy Stumpf
George McCormick



Senate

State of Minnesota

LeROY STUMPF

Senator 1st District
428 Riverside Ave.
Thief River Falls, Minnesota 56701
and
G-24 State Capitol Building
75 Constitution Avenue
St. Paul, MN 55155-1606
Phone: (612) 296-8660

March 20, 1996

TO: Members of the Subcommittee on Ethical Conduct

FROM: Senator LeRoy Stumpf *LS*

RE: Request for advisory opinion

Thank you for allowing me this opportunity to present information to you regarding my work for the Red Lake Watershed District. I appreciate that you have granted my request for an advisory opinion.

Questions have been raised regarding a possible conflict of interest with my work for the Watershed District. I believe that my work was not a conflict of interest. Here's why.

It has been erroneously reported that the Red Lake Watershed District was the recipient of a \$50,000 appropriation from the 1994 Legislature. It has been implied that my work was a result of the appropriation. These statements are untrue.

The appropriation in 1994 was not for the Red Lake Watershed District. Chapter 642, Section 33 of the 1994 Session Laws states that the appropriation was directed to the Commissioner of Agriculture, for a grant to a joint powers board made up of six counties in northwestern Minnesota. The joint powers board asked the Watershed District if it would donate its services as a fiscal agent for the grant. The Watershed District agreed. All of the state grant appropriation was used by the joint powers board to pay for beaver damage control. None of it was retained by the Watershed District.

My work for the Watershed District was on special projects. It was unrelated to the District's work as a fiscal agent. My work included grant writing, work on several special water quality projects, and organizing training seminars. The only work I did for the Watershed District that was related to beaver damage control was a proposal to seek grant funding to help the Watershed District purchase heavy equipment for beaver dam removal. The Watershed District project did not receive any money from legislative appropriations for this proposed purchase of heavy equipment.

I did not begin working for the Watershed District until after the end of the 1994 session. At that time, I called Senate Counsel to ask if there would be a conflict of interest in my taking a position with the Watershed District. Senate Counsel said that he did not believe the conflict of interest law prohibited my working for the Watershed District.



Before the 1995 session, I asked for and was granted a leave of absence from my consulting work with the Watershed District.

During the 1995 session, because of the success of the beaver damage control program operated by the joint powers board, there were requests from many other counties in northern Minnesota for another state appropriation. At the request of the counties, I introduced legislation to expand the program. This legislation was incorporated into Chapter 220 of the 1995 Session Laws, and the appropriation was vetoed by Governor Carlson.

Following the 1995 session, I again worked on special projects for the Watershed District, including organizing seminars and grant writing. My contract work for the Watershed District was completed by December, 1995.

In summary, I did not derive any financial benefit from the legislative appropriation. The appropriation did not go to the Watershed District. The appropriation went to a joint powers board. My employer, the Watershed District, was simply a fiscal agent. It received no compensation for that role.

Lowell Emerson

FINAL REPORT FOR BEAVER DAMAGE CONTROL

The Joint Powers Board consisted of the following county commissioners from each of the six counties:

DelRay Larson, Chair, Marshall County; Lee Nielson, Vice Chair, Red Lake County; Don Jenson, Secretary/Treasurer, Pennington County; Rupert Syverson, member, Polk County; and Julie Gustafson, who replaced retired county commissioner John Brooks, Jr., member, Clearwater County.

The Joint Powers Board set up the following funding levels for each county, township, and watershed portion:

Beaver Funding

County	Funding 50% State	County 30%	Township 10%	Watersheds 10%
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Red Lake 5%	2,500.00	1,500.00	500.00	500.00
TOTALS	\$50,000.00	\$30,000.00	\$10,000.00	\$10,000.00

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MINNESOTA SENATE
SUBCOMMITTEE ON ETHICAL CONDUCT

ADVISORY OPINION

ISSUED TO, AND AT THE REQUEST OF,

SENATOR LEROY A. STUMPF

March 22, 1996

The Senate Subcommittee on Ethical Conduct, in response to a written request for an advisory opinion submitted by Senator LeRoy Stumpf on March 18, 1996, met on March 20, 1996, to consider whether Senator Stumpf's work as a consultant for the Red Lake Watershed District in Thief River Falls, Minnesota, constituted a conflict of interest. (Exhibits 1 and 2: memos from Senator Stumpf, March 18 and March 20, 1996) After hearing and considering the sworn testimony and supplementary documentation, the subcommittee issues the following findings of fact, advice, and recommendations:

FINDINGS OF FACT

1. Senator Stumpf, during the 1994 legislative session, sponsored legislation to provide state support for a beaver-control project in northwestern Minnesota. The legislation, contained in Laws 1994, chapter 642, section 33, appropriated \$50,000 to the commissioner of agriculture for grants to a beaver-control joint powers board formed by Beltrami, Clearwater, Marshall, Pennington, Polk, and Red Lake counties. The joint powers board was required to provide at least \$30,000 to match the state appropriation. The state appropriation was available until June 30, 1995.
2. The joint powers board asked the Red Lake Watershed District to act, without reimbursement, as fiscal agent for the beaver-control project. The district agreed to do so because it felt that problems caused by beavers, including flooding of crop land and damage to roads, would ultimately be its responsibility.
3. After the conclusion of the 1994 legislative session, the watershed district asked Senator Stumpf to work as a consultant to organize seminars, work on water quality projects, and write requests for grants to purchase heavy equipment to remove beaver dams and to conduct training seminars for watershed district personnel. Senator Stumpf has a master's degree in public policy and experience in organizing support for projects, and the district wished to work with a qualified consultant with ties to the local area. The senator and the district entered into a contract, and Senator Stumpf began his work as a consultant in May of 1994.
4. There was no evidence that discussions of possible consulting work between Senator Stumpf and the watershed district, or between Senator Stumpf and the joint powers board, occurred while the legislation that resulted in state support for the joint powers project was being requested or was pending in the Legislature.
5. Before entering into the contract, the watershed district asked its attorney and its accountant whether the consulting arrangement would constitute a conflict of interest. Both said that there would be no conflict. A few weeks after entering into the contract, Senator Stumpf asked Peter Wattson of the office of Senate counsel, whether his work as a consultant constituted a conflict of interest. Again, the answer was no. (Exhibit 3: memo from Peter S. Wattson, March 20, 1996)
6. Senator Stumpf was paid \$7,000 for his consulting work in 1994. The money did not come

from the joint powers board, which was the entity that received state money as a result of the legislation he sponsored in the 1994 session. The entire \$50,000 appropriated to the board by the state was paid to trappers who removed beavers and to individuals who destroyed beaver dams that were causing damage to property, roads, and crops. (Exhibit 4: "Final Report for Beaver Damage Control") Senator Stumpf's payments came from the watershed district's administrative fund, which is funded by a property tax levy authorized by law (Minnesota Statutes, section 103D.905).

7. Before the 1995 legislative session began, Senator Stumpf asked for and was granted a leave from his consulting duties. During the 1995 session, at the request of a number of northern Minnesota counties, he sponsored legislation that would extend the beaver-control program to an expanded joint powers board comprising 16 counties—Beltrami, Clearwater, Marshall, Pennington, Polk, Red Lake, Mahnomen, Norman, Becker, Hubbard, Itasca, Kittson, Koochiching, St. Louis, Roseau, and Lake of the Woods. The legislation would have appropriated \$150,000 to the joint powers board, to be matched by at least \$80,000 from the board. The legislation was vetoed by Governor Carlson.
8. Following the conclusion of the 1995 session, Senator Stumpf resumed his work as a consultant for the watershed district. He wrote 19 grant proposals, ten of which were successful. The grants, totaling \$3,200, were used for training seminars. (Exhibit 5: "Contributors to the Manager's Training Sessions")
10. Senator Stumpf ended his consulting work for the watershed district in December of 1995 and has done no work, and been paid no money, in 1996.
11. No money appropriated as a result of Senator Stumpf's legislative efforts was used, either directly or indirectly, to pay him for his consulting work.
12. Senator Stumpf received three professional opinions—one of which he sought himself—holding that his work as a consultant would not constitute a conflict of interest. He voluntarily refrained from any work for the watershed district during the 1995 and 1996 legislative sessions. It seems apparent that he took reasonable steps to avoid conflict of interest.

ADVICE

The subcommittee finds that Senator Stumpf's work as a consultant did not constitute a conflict of interest. The subcommittee recognizes, however, that this conclusion might not necessarily be reached without a detailed understanding of the separation of funding and functions between the state-supported project carried on by the joint powers board and the work of the watershed district as its fiscal agent.

Minnesota has long valued its tradition of a part-time Legislature consisting of men and

women who not only make laws, but also spend most of their time working in a wide range of occupations, under the laws that they have made. Citizen-legislators bring experience and knowledge to the Capitol that full-time lawmakers would lack. Their involvement in a life outside the Legislature, however, means that citizen-legislators will inevitably face situations that pose a potential for conflict of interest. For them, the task of assuring that their private interests do not affect their public duties is especially challenging.

The subcommittee recognizes that the perception of impropriety can be as damaging as actual impropriety. Consequently, the subcommittee advises that in the future, Senator Stumpf and all other members of the Senate carefully consider the potential not only for actual conflict of interest, but also the perception of conflict.

RECOMMENDATIONS

Permanent Rule 75 of the Senate, which establishes the subcommittee, charges it to “serve in an advisory capacity to a member or employee upon written request” and to “issue recommendations to the member or employee.” The subcommittee, however, has rarely been called upon to perform that function; indeed, Senator Stumpf’s request for an advisory opinion may be the first.

The subcommittee urges members and employees to make greater use of the resources available to them as they attempt to assure that their conduct meets the highest possible standard. Specifically, the subcommittee recommends that a member or employee facing an ethical question first seek advice from Senate Counsel. If counsel is unable to provide a definitive answer—or if the question is new and of potentially wide application—the questioner is urged to seek advice from the subcommittee. Indeed, Senate Counsel should not hesitate to refer questioners to the subcommittee in appropriate situations.

To assist it in responding to requests for advisory opinions under Rule 75, the subcommittee intends to examine relevant laws and procedures in other states and to attempt to establish a more consistent and efficient system for guiding members and employees in maintaining the high standards of conduct that the people of Minnesota expect of them.

EXHIBITS

Exhibit 1: memo from Senator Stumpf, March 18, 1996

Exhibit 2: memo from Senator Stumpf, March 20, 1996

Exhibit 3: memo from Peter S. Wattson, March 20, 1996

Exhibit 4: "Final Report for Beaver Damage Control"

Exhibit 5: "Contributors to the Manager's Training Sessions"

LeROY STUMPF

Senator 1st District
428 Riverside Ave.
Thief River Falls, Minnesota 56701
and
G-24 State Capitol Building
75 Constitution Avenue
St. Paul, MN 55155-1606
Phone: (612) 296-8660



Senate

State of Minnesota

March 18, 1996

TO: Senator Ember Reichgott Junge, Chair
Special Subcommittee on Ethical Conduct

FROM: Senator LeRoy Stumpf *LS*

RE: Ethics Committee Meeting

Pursuant to Rule 75 of the Permanent Rules of the Senate I am requesting an advisory opinion from the Senate Special Subcommittee on Ethical Conduct concerning my relationship with the Red Lake Watershed District.

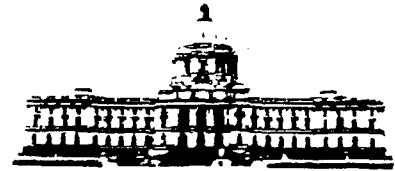
I respectfully request that a hearing be held on this matter at your earliest possible convenience.

Thank you for your consideration of my request.

cc: Sen. Frederickson
Sen. Novak
Sen. Terwilliger
Peter Wattson



LeROY STUMPF
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March 20, 1996



Senate

State of Minnesota

TO: Members of the Subcommittee on Ethical Conduct

FROM: Senator LeRoy Stumpf *LS*

RE: Request for advisory opinion

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In summary, I did not derive any financial benefit from the legislative appropriation. The appropriation did not go to the Watershed District. The appropriation went to a joint powers board. My employer, the Watershed District, was simply a fiscal agent. It received no compensation for that role.

Senate Counsel & Research

G-17 STATE CAPITOL
ST. PAUL, MN 55155
414 296-4731
FAX 612 296-7747

JO ANNE ZOFF SELLNER
DIRECTOR

Senate State of Minnesota

March 20, 1996

COUNSEL

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JOHN C. FULLER
BONNIE L. BEREZOVSKY
DANIEL P. MCGOWAN
KATHLEEN E. PONTIUS
GEORGE M. MCCORMICK
HANS I. E. BJORNSON
KATHERINE T. CAVANOR
CHRISTOPHER B. STANG
KENNETH P. BACKHUS
CAROL E. BAKER
JOAN E. WHITE
ANN MARIE BUTLER

LEGISLATIVE ANALYSTS

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DANIEL L. MUELLER
JACK PAULSON
CHRIS L. TURNER
AMY M. WENNEWITZ
MAJA WEIDMANN

To: Senator Ember Reichgott Junge
Senator Dennis R. Frederickson
Senator Steven G. Novak
Senator Roy W. Terwilliger

From: Peter S. Watson, Senate Counsel *PSW*
296-3812

Subj: Work of Senator Stumpf for Red Lake Watershed District

The purpose of this memorandum is to set forth my analysis of the conflict of interest law and how it applies to the work of Senator LeRoy Stumpf as a consultant for the Red Lake Watershed District.

Senator Stumpf first asked me about this in a telephone call from his home in Thief River Falls in late June of 1994. He said a couple of his constituents, one of whom was a member of the Red Lake County Board, were questioning his employment by the watershed district. He was concerned about whether it was a conflict of interest. I pulled out a copy of the conflict of interest law, Minnesota Statutes, section 10A.07, and reviewed its provisions with him. After our conversation, he wrote a letter to the Red Lake County Board explaining his view of the situation. After he sent the letter, he heard no further objections from anyone, until the Audubon Society began questioning his employment a year or so later. I understand it is the Audubon Society's concern that led to the newspaper stories.

I don't have a specific recollection of what I told Senator Stumpf during our telephone conversation, but neither the statute nor my view of it has changed since then. I assume I said something like the following:

Our Constitution creates a part-time legislature. The Legislature is prohibited from meeting after the Monday after the third Saturday in May or for more than 120 days in a biennium. The reason we have a part-time legislature is so that we may have a citizen-legislature, filled with members who must spend the greater part of each year earning a living under the laws they have enacted. We have thought this is good, because it helps to keep legislators in touch with the real-world problems of their constituents. However, it also means that legislators may occasionally have conflicts between their official duties and their private employment.

Our conflict of interest law is primarily a disclosure law. It assumes that a public official will occasionally have conflicts of interest. This is especially true for legislators. When a conflict arises, a public official must disclose the conflict and ask to be excused from taking part in the action or decision in question.

The kinds of conflicts the law is concerned with are financial conflicts, ones where the personal financial interests of the official will be affected by a decision the official makes. The law describes a conflict of interest situation as one where:

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The conflict of interest law refers to decisions, not to positions. Senator Stumpf's taking a position with the watershed district was not a conflict of interest, but it could put him into a situation where, in the future, he would face a conflict of interest in decisions he would have to make as a legislator. For example, if, during a later legislative session, he were asked to carry or vote on a bill that would provide state money to the watershed district that would be used to pay his salary, he would have to decline to carry the bill and would have to ask to be excused from voting on it. On the other hand, his being employed by a watershed district would not disqualify him from carrying legislation affecting watershed districts generally, or even the Red Lake Watershed District in particular, unless the effect of the bill on his personal financial interests were greater than its affect on all watershed district employees.

Should the possibility that he might have to excuse himself from participating in some legislative issues have been sufficient reason for Senator Stumpf to decline the job with the Red Lake Watershed District? There may be differences of opinion on that. But, bear in mind the thousands of bills that are introduced each session and the thousands of votes that are taken, none having anything remotely to do with the Red Lake Watershed District. If there were one or two bills a year that might present a conflict of interest and from which he would have to excuse himself, would that be sufficient reason to decline the job with the watershed district? I would leave that decision to Senator Stumpf.

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cc: Senator LeRoy Stumpf
George McCormick ✓

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Contributors to the Manager's Training Sessions

MN Barley Growers	9-22-95	500.00
2601 Wheat Drive, Red Lake Falls, MN 56750		
Red River Valley Sugarbeet Growers Assn.	9/19/95	500.00
1401 32nd St. SW, Fargo, ND 58103-3430		
Red River Valley Potato Growers Assn.,	12-4-95	500.00
Charlie Gunderson,		
MN Corn Research & Promotion Council	11-13-95	500.00
14198 Commerce Ave. NE Suite 600, Prior Lake 55372		
MN Wheat Research & Promotion Council	12-4-95	250.00
2600 Wheat Drive, Red Lake Falls, MN 56750		
MN Association of Wheat Growers	12-27-95	250.00
Red Lake Falls, MN 56750		
MN Cultivated Wild Rice Council	10-28-95	100.00
1306 W. County Road F, Suite 109, St. Paul		
Robert E. Miller	10-5-95	250.00
Box 245, St. Hilaire, MN 56754		
St. Hilaire Elevator	10-5-95	250.00
St. Hilaire, MN 56754		
MN Turkey Growers	10-24-95	<u>100.00</u>
2380 Wycliff St., St. Paul, MN 55114		
TOTAL DONATIONS		3200.00

*Louise Emerson, Administrator
 Red Lake Watershed District
 Box 803
 TR Falls, Minn, 56701
 218-681-5800*