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February 8, 2019

Honorable School Board Members and
Dr. Mike Redmond, Superintendent
Independent School District No. 720
Shakopee Public Schools
1200 Town Square
Shakopee, Minnesota 55379

Dear School Board Members and Superintendent Redmond:

The Office of the State Auditor (OSA) received concerns about Independent School District No. 720, Shakopee Public Schools (School District). Specifically, concerns were raised about the use of a School District purchasing card (P-card) by the School District's now former Superintendent (former Superintendent). In cooperation with the Shakopee Police Department, the OSA reviewed certain financial documents related to the School District and the former Superintendent for the period August 1, 2011, through June 30, 2017.

Based on its review, the OSA prepared an Investigative Report focused on the former Superintendent's use of School District funds. The OSA provided the Investigative Report to appropriate law enforcement agencies in October 2017.¹ The Investigative Report described **\$87,479.07** in improper or unsupported transactions.

Subsequently, on November 14, 2017, Scott County filed a 21-count criminal complaint that charged the former Superintendent with crimes including theft by swindle, embezzlement of public funds, and receiving stolen property. On November 16, 2018, the former Superintendent signed a plea agreement in which he entered a guilty plea to five counts of theft by swindle, thirteen counts of embezzlement of public funds, and one count of receiving stolen property. The former Superintendent's attorney and the prosecuting attorney agreed that if the former Superintendent entered a guilty plea to these counts, he would be sentenced to serve no more than 24 months in prison, that restitution in the sum of \$25,674 would be ordered, and that certain remaining counts would be dismissed.² Based on the plea agreement, the former Superintendent was convicted of nineteen felonies on November 16, 2018.

¹ See Minn. Stat. §§ 6.715 and 6.51.

² The former Superintendent also pleaded guilty to a federal bribery charge. See "Former superintendent pleads guilty to soliciting bribe from ICS Consulting," Amanda McKnight, Shakopee Valley News, (November 15, 2018). The federal bribery charge was outside the scope of the OSA review.

Honorable School Board Members and Superintendent Redmond
Independent School District No. 720
Shakopee Public Schools
February 8, 2019
Page 2

A public version of the OSA Investigative Report is enclosed with this letter, and is now available to the public as well.

The OSA's review that led to the Investigative Report regarding the former Superintendent's use of School District funds included a review of the School District's processes, practices, and policies regarding the use of School District funds. This letter provides observations and recommendations to the School District to help it better protect School District funds in the future.

Background

By law, the care, management, and control of an independent school district is vested in a board of directors known as the school board.³ The school board must "superintend and manage the schools of the district; adopt rules for their organization, government, and instruction; keep registers; and prescribe textbooks and courses of study."⁴ The school board must employ a superintendent, "who shall be an ex officio nonvoting member of the school board."⁵ Each school board member "shall receive training in school finance and management developed in consultation with the Minnesota School Boards Association."⁶

Additionally, as the Minnesota School Boards Association suggests, high-performing school boards should hold the superintendent accountable for compliance with written school board policies and accept ultimate responsibility for fiscal oversight.⁷

As discussed in the Investigative Report, the School Board approved a P-card procedures manual that communicated policies and procedures for use by the cardholder.⁸ The former Superintendent was a P-card holder throughout his six-year employment. The School Board also established reimbursement procedures to govern certain requests for reimbursement to be made by the former Superintendent.⁹

³ See Minn. Stat. § 123B.09, subd. 1.

⁴ See Minn. Stat. § 123B.09, subd. 8.

⁵ Minn. Stat. § 123B.143, subd. 1.

⁶ See Minn. Stat. § 123B.09, subd. 2.

⁷ See Standards for School Board Leadership available at www.mnmsba.org/Standards.

⁸ SHAKOPEE PUBLIC SCHOOLS MASTERCARD PURCHASE CARD PROGRAM, Procedures Manual.

⁹ See the attached Investigative Report (ADDENDUM TO EMPLOYMENT AGREEMENT FOR THE SUPERINTENDENT OF SCHOOLS OF INDEPENDENT SCHOOL DISTRICT #720, dated January 13, 2014.) and (MEMORANDUM OF UNDERSTANDING, dated July 11, 2011.). The School District hired the former Superintendent in 2011. He resigned effective June 30, 2017.

Areas of Concern

1. The School Board did not hold the former Superintendent accountable for compliance with its written P-card policies and procedures.

During the OSA's review, the OSA identified numerous purchases that were improper and unsupported. Most of these transactions appeared to have been initiated by the former Superintendent using a School District-issued purchasing card (P-card). As the Investigative Report notes, the P-card procedures manual stated that the P-card "**is not** to be used for **personal purchases**" and requires the retention of "all original receipts for goods purchased."¹⁰ Additionally the P-card procedures manual stated that the cardholder must "attach all detailed receipts" to a transaction list and provide this documentation to "a Supervisor for approval and a signature."¹¹ The P-card procedures manual required that the Finance Committee approve the former Superintendent's P-card activity.¹²

Over approximately 6-years the former Superintendent did not follow the written procedures in the P-card manual. He used School District funds to make personal purchases and failed to provide proper supporting receipts.

Information provided to the OSA indicated that neither the School Board nor its Finance Committee reviewed transaction lists or detailed receipts for the former Superintendent's P-card transactions. The School Board did not establish a process to review the former Superintendent's compliance with written P-card policies and procedures. Further, it appears the only individuals who critically reviewed the former Superintendent's P-card purchases were individuals who reported to him. These control weaknesses allowed misuse of School District funds.

Recommendation

The OSA recommends the School Board review its process for supervising its superintendent. We urge the School Board to implement specific procedures to confirm that the superintendent operates in accordance with the School Board policies and procedures and is accountable to the School Board for his or her spending. For example, The GFOA suggests, in its guidance on using purchasing cards, periodic audits of card activity and regular reconciliations by a supervisor.¹³

¹⁰ See Attached Investigative Report pages 3 and 10.

¹¹ See SHAKOPEE PUBLIC SCHOOLS MASTERCARD PURCHASE CARD PROGRAM, Procedures Manual.

¹² *Id.*

¹³ See <http://www.gfoa.org/purchasing-card-programs>.

2. The School Board did not oversee requests for reimbursement by the former Superintendent in accordance with the terms of certain agreements.

As documented in the Investigative Report, the OSA reviewed requests for reimbursement and documents provided by the former Superintendent for receipt of an adoption reimbursement benefit he had negotiated to receive.¹⁴ In the underlying agreement between the former Superintendent and the School Board, the School Board maintained responsibility to approve School District disbursements to reimburse the former Superintendent for eligible expenses.¹⁵ However, the former Superintendent “sought and received payments outside the reimbursement process provided for in the Adoption Reimbursement Addendum” and, as a result, the School District incurred costs in excess of the afforded benefit amount.¹⁶

The School Board did not oversee all requests for reimbursement made by the former Superintendent to ensure compliance with the terms of the negotiated adoption reimbursement benefit.

Recommendation

The OSA recommends the School Board critically review and formally approve transactions that it has committed itself to oversee. It should carefully review expenditures to ensure that they are authorized and that proper documentation has been obtained.

3. The School Board did not create a control environment favorable to accountability

An entity’s control environment provides the foundation for its internal control system. An effective internal control system promotes legal compliance and the prevention and detection of unauthorized use of public funds. A school board should oversee the school district’s internal control system, and should demonstrate a commitment to integrity and ethical values.

Concerns about the former Superintendent’s spending were raised as early as the beginning of 2017. The School District did not report these concerns to the OSA as required by Minnesota law, despite evidence of improper expenditures and a lack of effective internal controls.¹⁷

¹⁴ See Attached Investigative Report, pp. 4-5.

¹⁵ ADDENDUM TO EMPLOYMENT AGREEMENT FOR THE SUPERINTENDENT OF SCHOOLS OF INDEPENDENT SCHOOL DISTRICT #720, dated January 13, 2014. In this agreement, the School Board assigned to the Executive Committee, which by policy should have been an advisory body, responsibility to approve these disbursements. See School Board Policy 213 (School Board Committees).

¹⁶ See Attached Investigative Report page 5.

¹⁷ An employee or public officer of a political subdivision who discovers evidence of theft, embezzlement, or unlawful use of public funds or property must promptly report to law enforcement and promptly report in writing to the state auditor a detailed description of the alleged incident or incidents. Minn. Stat. § 609.456, subd. 1.

Honorable School Board Members and Superintendent Redmond
Independent School District No. 720
Shakopee Public Schools
February 8, 2019
Page 5

Recommendation

The OSA recommends that the School Board demonstrate a commitment to integrity and ethical values by encouraging an environment in which internal controls are valued and supported. Department heads should not be allowed to override internal controls. The School District should create an environment where employees feel comfortable reporting breaches in internal control procedures without fear of retaliation. Employees need to know to whom their concerns should be reported; and they need to feel confident that such concerns will be addressed. All employees should understand that they share in the School District's responsibility to protect public funds.

School District officers and employees who discover evidence of theft, embezzlement or unlawful use of public funds or property, should promptly report a description of the incident or incidents to law enforcement and to the OSA.¹⁸

* * *

Please provide a written response to the Office of the State Auditor by **March 1, 2019**, detailing how the School District will implement these recommendations.

Thank you in advance for your attention to this matter. If you have any questions, please feel free to contact me.

Sincerely,

/s/ Mark F. Kerr

Mark F. Kerr, JD, CFE
Special Investigations Director
Office of the State Auditor
(651) 296-4717

Encl.

¹⁸ See Minn. Stat. § 609.456, subd. 1.



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INVESTIGATIVE REPORT

Independent School District No. 720, Shakopee Public Schools

October 25, 2017

PUBLIC VERSION¹

The Office of the State Auditor (OSA) received concerns about Independent School District No. 720, Shakopee Public Schools (School District). Specifically, concerns were raised about the use of a School District purchasing card by the School District's former Superintendent.²

The OSA contacted the School District and the Shakopee Police Department (Police Department). In cooperation with the Police Department, the OSA examined activity reports for the School District purchasing card (P-card) issued to the former Superintendent, School District checks written to the former Superintendent, available supporting receipts, and other information. The OSA also reviewed financial documents obtained from the School District. The OSA reviewed these documents for the period August 1, 2011, through June 30, 2017. Based on review of the information provided, the OSA identified **\$87,479.07** in improper or unsupported transactions as follows:³

1. Improper transactions of **\$81,999.14** included:
 - a. personal and non-business travel purchases;
 - b. misleading support for, and excessive, adoption benefit reimbursements;
 - c. purchases of alcohol;
 - d. purchases of sports memorabilia;
 - e. unmonitored purchases of electronics and accessories;
 - f. payments for Amazon Prime, Sam's Club, the U of M Alumni Association and other memberships or subscriptions;
 - g. apparent non-business related purchases, including televisions, a gaming system, jewelry, and clothing;
 - h. unexplained/unsupported iTunes purchases;
 - i. an apparent purchase of event tickets;

¹ A not public version of the Investigative Report was provided to law enforcement on October 25, 2017.

² This Investigative Report covers certain issues reviewed by the OSA. Nothing herein should be interpreted to imply the absence of other issues or approval of any act or transaction not mentioned. We understand that law enforcement is continuing its investigative work and that additional information may exist or arise.

³ For purposes of this report, "improper transactions" generally describes transactions for items, services, or purposes not authorized by law; "unsupported transactions" generally describes those transactions for which proper supporting documentation required to validate a purchase is lacking.

- j. a fundraising Gala purchase that included tickets to the event and a donation for a health care facility; and
 - k. purchases through DNA and ancestry websites.
2. Unsupported transactions of **\$5,479.93** included:
 - a. food and restaurant purchases,
 - b. hotel purchases,
 - c. purchases at cell phone stores, and
 - d. other purchases.

In addition, the OSA identified other questionable transactions:

1. P-card food purchases supported with receipts that lacked sufficient detail to determine whether they served a public purpose totaling \$4,358.84.
2. Apparent requests for School District reimbursement for a television, carpet installation, lawn supplies, and a new faucet (and related supplies) totaling \$3,261.28 under an employment contract addendum that provided for reimbursement for “reasonable moving expenses incurred.”⁴ The OSA questions whether these reimbursements should have been considered “reasonable moving expenses.”

This report summarizes the OSA’s findings.

Background

The School District hired the former Superintendent in 2011. The duties of the superintendent of an independent school district include supervising schools in the district, making recommendations regarding employment and dismissals of teachers, superintending grading practices and examinations and performing other duties prescribed by the school board.⁵ The School District’s website described the former Superintendent as being in charge of the leadership and administration of the School District and described him as the Chief Executive Officer charged with reporting to and administering the policies of the School Board. He resigned effective June 30, 2017.

⁴ The cost of the television was \$1,159.99, but this amount was reduced by \$361.42 in an apparent effort to keep the amount reimbursed within the moving expense reimbursement benefit limit (\$1,159.99 - \$361.42 = \$798.57).

⁵ See Minn. Stat. § 123B.143, subd. 1.

Improper Transactions

Expenditure of public funds requires that there be both authority and a public purpose.⁶ Authority may be specifically stated in a statute or implied as necessary to do something that is expressly authorized.⁷ A public purpose has been defined by the Minnesota Supreme Court as “[s]uch an activity as will serve as a benefit to the community as a body and which, at the same time, is directly related to the functions of government.”⁸

The legal authority for an independent school district to use credit cards is found in Minn. Stat. § 123B.02, subd. 23. This statute provides that if a school district officer or employee makes or directs a credit card purchase that is not approved by the school board, the officer or employee “is personally liable for the amount of the purchase.”

The Shakopee Public Schools MasterCard Purchase Card Program, Procedures Manual, stated that the P-card “**is not** to be used for **personal purchases**.” It went on to say that the P-card was “issued in your name and it will be assumed that any purchases made against the [P-card] will have been made by you.” It stated that use of the P-card “not in accordance with the guidelines established for this program will result in revocation of the card and termination of your employment.”⁹

On August 10, 2011, the former Superintendent signed an “Acknowledgement of Receipt of the MasterCard Purchase Card” form which affirmed that he had “received a copy of the procedure manual explaining the use and responsibilities” of the P-card and that it was to be used solely for business purchases, not personal purchases.¹⁰ The former Superintendent also affirmed in the Acknowledgement that he was responsible for reconciling monthly statements and maintaining accurate accounting records.

On the same date, the former Superintendent signed a “Terms of Revocation Form.”¹¹ In this form, he affirmed, “I understand that I am the only person authorized to make purchases with the Purchase Card issued to me and that such purchases must be in connection with my employment with, for the benefit of, and authorized by the Shakopee Public Schools.”¹² He also acknowledged that any misuse of the card would result in immediate termination of employment, while stating his understanding that the following items constitute misuse of the Purchase Card: personal purchases, unauthorized use by someone other than the cardholder, and fraudulent record keeping.

⁶ See, e.g., Op. Att’y Gen. 59a-22 (Dec. 4, 1934); 59a-22 (Nov.23, 1966).

⁷ See, e.g., *Mangold Midwest Co. v. Village of Richfield*, 143 N.W. 2d 813, 820 (1966).

⁸ See *Visina v. Freeman*, 89 N.W. 2d 635 (1958).

⁹ SHAKOPEE PUBLIC SCHOOLS MASTERCARD PURCHASE CARD PROGRAM, Procedures Manual, p. 3.

¹⁰ ACKNOWLEDGEMENT OF RECEIPT OF THE MASTERCARD PURCHASE CARD, dated August 10, 2011; see also SHAKOPEE PUBLIC SCHOOLS MASTERCARD PURCHASE CARD PROGRAM, Procedures Manual.

¹¹ TERMS OF REVOCATION FORM, dated August 10, 2011.

¹² See also Minn. Stat. § 123B.02, subd. 23 (A school district employee who makes a credit card purchase that is not approved by the school board “is personally liable for the amount of the purchase.”).

During the OSA's review, the OSA identified several purchases made with the P-card that appear improper, and that appear to constitute misuse of the P-card.

a) Personal and non-business travel purchases

The OSA's review and information learned from law enforcement indicates that certain travel-related purchases were not for School District business; they include apparently unused tickets for air travel, meal and hotel costs for motorcycle trips, and purchases for the former Superintendent and his spouse. The OSA identified **\$9,751.01** in non-business travel purchases. The former Superintendent wrote checks to reimburse the School District for some, but not all, of these purchases, which should not have been financed with public funds. A list of these transactions and subsequent payments is presented in **Attachment A**.¹³

b) Misleading support for adoption benefit reimbursements and excessive adoption benefit payments

In January 2014, the former Superintendent entered into an employment agreement with the School District, the term of which commenced July 1, 2014, and ended June 30, 2017.¹⁴ The parties also executed an addendum to the agreement dated January 13, 2014, that provided the former Superintendent an adoption benefit (Adoption Reimbursement Addendum).¹⁵ The Adoption Reimbursement Addendum provided that the adoption benefit was "effective January 13, 2014, and carries through until June 30th, 2017." The "Max benefit" was set at \$30,000, except that the Adoption Reimbursement Addendum authorized the Executive Committee to consider and approve "additional expenses in excess of 25% over max cap at their discretion."¹⁶

The Adoption Reimbursement Addendum also prescribed the procedures for approving adoption benefit reimbursements. It stated that eligible expenses "will be approved by the Executive Committee and will be submitted to the business office for reimbursement," and stipulated that the School District would pay the former Superintendent "via reimbursement of his expenses per approved receipts or documentation."

The OSA reviewed email correspondence between the former School Board Chair, and the former Director of Finance. These emails indicate only informal approval for the increase afforded to the former Superintendent per the addendum for a total max benefit of \$37,500 (Max Benefit).

¹³ This list includes what appears to be the purchase of a \$506.20 plane ticket for the wife of a School Board Member.

¹⁴ EMPLOYMENT AGREEMENT FOR THE SUPERINTENDENT OF SCHOOLS OF INDEPENDENT SCHOOL DISTRICT #720, dated January 13, 2014.

¹⁵ ADDENDUM TO EMPLOYMENT AGREEMENT FOR THE SUPERINTENDENT OF SCHOOLS OF INDEPENDENT SCHOOL DISTRICT #720, dated January 13, 2014.

¹⁶ With Executive Committee approval, the Adoption Reimbursement Addendum, therefore, would permit a total benefit of up to \$37,500 ($\$30,000 \times 1.25 = \$37,500$). For purposes of this report, the OSA does not express an opinion regarding the propriety of a school district providing this type of benefit to a school district employee.

Nevertheless, the former Superintendent received \$37,500 in School District checks ostensibly for adoption-related expenses during the period January 27, 2014, to July 17, 2014. The former Superintendent provided documentation to the School District to support his claims for reimbursement. The School District paid the former Superintendent \$35,400 of this amount based on his submission of copies of several personal checks he signed with “ANLC” as the payee, supposedly for reimbursement of adoption expenses he incurred.

The Police Department obtained and the OSA reviewed records from an adoption center and the former Superintendent’s banking records. Although this benefit was supposed to be a reimbursement, it is apparent that the former Superintendent requested and received this money even though he had not incurred these costs at the time.

Despite the School District having already paid the Max Benefit allowed by the Adoption Reimbursement Amendment, the following purchases were made with the P-card after July 17, 2014:

- travel purchases totaling \$4,723, made from August 20, 2014, to September 17, 2014;
- an October 1, 2014, purchase at the adoption center for \$2,750;
- an October 2, 2014, purchase at the adoption center for \$3,090; and
- an October 28, 2014, purchase at an adoption entity in Minneapolis, MN for \$1,762.

The School District did not have receipts or any other supporting documentation for this adoption-related P-card activity.

The OSA found that the former Superintendent submitted misleading documents to obtain certain reimbursements, and sought and received payments outside the reimbursement process provided for in the Adoption Reimbursement Addendum. In addition, despite exceeding his Max Benefit, he apparently used the P-card for purchases without providing supporting documentation. As a result, the OSA considers **\$47,725.38** of School District funds disbursed to or on behalf of the former Superintendent for adoption-related expenses to be improper. A list of these transactions is presented in **Attachment B**.

c) Purchases of alcohol

The former Superintendent apparently used the P-card to purchase at least **\$656.27** in alcohol. The former Superintendent wrote a personal check to the school district for \$58.84 to pay back some of these purchases.¹⁷ The OSA has long maintained that the purchase of alcohol at public expense does not serve a public purpose. A list of these transactions and subsequent payments is presented in **Attachment C**.¹⁸

¹⁷ A list of purchases with hand-written notations provided to the OSA by the School District (discussed later in the Reimbursement/Refunds section of this report) indicated additional purchases of alcohol. These purchases are not included in this report, as there were no detailed receipts at the School District to substantiate this claim.

¹⁸ This list includes “lobby bar” purchases included in a hotel bill for one of the School Board Members totaling \$81.97.

d) Purchases of sports memorabilia

During its review, the OSA identified several P-card transactions through Amazon.com and The Great Frame Up totaling \$1,033.05, apparently for autographed books, sports souvenirs, an Apple TV, Beats Pill portable speakers, and framing services during the period April 14, 2015, to April 23, 2015.

The OSA discussed these purchases with a School District staff member, who said, based on the timing of the above-referenced purchases, that the former Superintendent may have purchased these items to use as silent auction items for a Shakopee Alumni Association fundraiser.¹⁹ The School District provided to the OSA documentation for the 2015 fundraiser that may indicate that \$381.42 of these P-card expenditures were for “additional silent auction items to complete baskets.” Other information indicates that baskets at the fundraiser contained an Apple TV and Beats Pill speakers. Although other items may have been used for this purpose, this is not indicated in documentation provided to the OSA by the School District.

The OSA also discovered several purchases made during the period March 16, 2016, through May 3, 2016, totaling \$1,050.80 from various PayPal vendors and FansEdge.²⁰ The School District did not provide supporting receipts for these purchases. The OSA reviewed internet descriptions for these vendors and found that several of them frequently sold sports memorabilia and autographed items.

There appears to be no legitimate School District business purpose for these purchases. First, the OSA knows of no authority for expenditures to benefit the Shakopee Alumni Association. Minnesota law explicitly states that a school district “may not create a corporation, whether for profit or not for profit, unless explicitly authorized to do so by law.”²¹

In addition, although the Shakopee Alumni Association is a separate nonprofit corporation, the School District was actively involved in the finances related to the operation of the fundraiser. A school district should not maintain or control a nonprofit organization’s funds.²² School districts lack implied authority to spend money to support the fundraising activities of nonprofit organizations, and the OSA is not aware of any specific authority for such expenditures applicable to this situation.

¹⁹ According to information on the website of the Minnesota Secretary of State, the Shakopee Alumni Association is a Minnesota nonprofit corporation, with an original filing date of February 17, 2015. An October 3, 2017, search on the Secretary of State website found that the corporation’s status is “inactive,” due to an involuntary dissolution dated February 22, 2017. This is probably due to the corporation’s failure to file the annual registration required by Minn. Stat. § 317A.823.

²⁰ One of these purchases totaling \$205.94 was refunded to the P-card account.

²¹ See Minn. Stat. § 465.717, subd. 1.

²² See also 2014 UFARS Manual, Chapter 14, pp. 5-6 and 24 (May 2014), available on the Minnesota Department of Education’s website, <http://education.state.mn.us>. As stated in Chapter 14, funds raised by other organizations, such as booster clubs or PTAs, must be maintained separately from school district funds.

More generally, Minnesota law does not permit local governments to donate to individuals or nonprofit organizations unless the donation is based on specific statutory or charter authority. For example, the Minnesota Attorney General's Office has issued opinions finding that cities have no authority to donate city funds to such organizations.²³ The assumption is that a gift of public funds to an individual or private entity serves a private rather than a public purpose.

Second, for the remainder of the purchases, it appears that no School District or business purpose has been suggested.

In total, at least **\$2,083.85** in School District funds were disbursed for these items, some of which may have been used to support a nonprofit corporation. A list of these transactions is presented in **Attachment D**.

e) **Unmonitored electronics and accessory purchases**

The OSA noted that the former Superintendent used the P-card extensively to purchase a variety of electronic equipment and accessories. The OSA provided a list of these purchases to the School District's staff, who indicated that items that cost the School District **\$8,065.22** could not be located.²⁴ Additionally, the School District did not have a record showing receipt or possession of these items. This amount included \$5,292.13 worth of items shipped to the former Superintendent's home, including two laptop computers, a digital camera, a Kindle E-reader, a wireless Bluetooth speaker, and external hard drives.

The School District's staff indicated that the School District has procurement procedures for electronic equipment, pursuant to which the School District's IT Department purchases, records, and monitors such purchases for the School District as a whole. It appears that by purchasing these items with the P-card, the former Superintendent overrode these procedures. According to the School District's IT Director, the former Superintendent did not communicate his electronics purchases to the IT Department. As a result, the School District has no record of the receipt of these items.

In addition, we were informed that due to the manner in which the former Superintendent purchased the laptop computers, the School District's management software was not installed, which prevented the School District from being able to track the location and use of these items. A list of these transactions is presented in **Attachment E**.

²³ See, for example, Op. Att'y Gen. 59-A-3 (May 21, 1948).

²⁴ It appears that some of these items were seized by law enforcement.

f) Membership and subscription purchases

The OSA identified several instances where used the P-card to sign up for apparently unauthorized and personal memberships or subscriptions with Amazon Prime, Sam's Club, Audible, and the U of M Alumni Association. We also discovered documentation showing a Marshall Memo subscription in the name of the former Superintendent's spouse. In total, **\$1,513.70** of public funds were used for these purposes, which appear to be unauthorized.²⁵ The former Superintendent wrote checks to the school district to repay the School District for a small amount (\$81.99) related to these memberships. A list of these transactions and subsequent payments is presented in **Attachment F**.

Apparent non-business-related purchases

In cooperation with law enforcement, the OSA identified **\$9,126.21** in personal items the former Superintendent purchased using the P-card during the period June 9, 2012, to October 22, 2016. These include, among other items:

- two 42 inch televisions,
- an Xbox with games,
- an Apple Time Capsule,
- a digital camera,
- wireless Bluetooth Television-listening headphones,
- luggage,
- a freezer,
- fireplace equipment,
- an elevated garden bed and other patio and yard accessories,
- a work bench,
- an Apple TV,
- children's play tunnels,
- motorcycle jewelry and clothing,
- a pool table cover, and
- two alcohol flasks.

The former Superintendent returned some of these items, worth \$1,193.41, and wrote checks to reimburse the School District for others worth \$956.80. He also apparently made a cash payment of \$500 to the School District to reimburse one of the television purchases. A list of these transactions and subsequent payments is presented in **Attachment G**.

²⁵ A refund of \$32.19 was applied to the P-card account for three of these purchases. Under Minn. Stat. 123B.02, subd. 24, a school board may authorize and pay for the membership of the school district or of any district representative designated by the board in those local economic development association or other community or civic organizations that the board deems appropriate. It does not appear that the purchases listed above fall within this authority.

g) Unexplained/Unsupported iTunes purchases

The OSA identified several transactions through Apple iTunes totaling **\$191.59** for which the former Superintendent apparently did not provide supporting explanation or receipts.²⁶ A list of these transactions is presented in **Attachment H**.

h) Apparent purchase of event tickets

The OSA identified a **\$575.06** purchase made through Vivid Seats LTD on September 28, 2015. The School District did not provide supporting documentation or a receipt to the OSA for this transaction. However, the vendor's website indicates that it sells tickets to sporting events, concerts, and theater productions. Due to the lack of documented support and the nature of the vendor's business, we question whether this purchase served an appropriate authorized purpose related to the School District's business.

i) Fundraising Gala purchase

The OSA identified a **\$2,000** contribution to Saints Healthcare Funds on September 21, 2016.²⁷ The School District provided documentation for this transaction in the form of an email to the former Superintendent and the second page of a letter providing thanks for "your contribution as a sponsor." These documents indicate that, in exchange for the contribution, ten seats were provided to an event with "hors d'oeuvres, dinner and wine for you and your guests," which the entity valued at \$60 per person. The event appears to be a 2016 Spirit of the Saints Gala for which a "premier table" was purchased for guests of Shakopee Public Schools.

Donations to nonprofits, charities, or individuals do not generally serve a public purpose.²⁸ The assumption is that a gift of public funds to an individual or private entity necessarily serves a private purpose rather than a public purpose. The OSA knows of no authority for a school district to pay for a premier table at a nonprofit organization's gala fundraiser.

j) Purchases through DNA and ancestry websites.

The OSA identified a P-card purchase from 23 and Me, a DNA genetic testing and analysis website, for **\$108.95** on July 8, 2015, and from My Heritage, a family tree, genealogy, and family history website, for **\$201.90** on August 11, 2016.²⁹ Due to the lack of documented support and the nature of the vendor's business, we question whether this purchase served an appropriate authorized purpose related to the School District's business.

²⁶ A one-time reimbursement of \$40.84 from Apple iTunes was credited to the P-card account on September 14, 2014.

²⁷ The Secretary of State's website indicates that Saints Healthcare Funds is an assumed name, and that the nameholder is St. Francis Regional Medical Center, a Minnesota nonprofit corporation.

²⁸ See Office of the State Auditor's Statement of Position on Public Expenditures: Donations and Dues, available on the OSA's website at: http://www.auditor.state.mn.us/other/Statements/publicexpdonationsdues_0809_statement.pdf.

²⁹ The My Heritage purchase was reimbursed to the P-card account on September 1, 2016.

Unsupported Transactions

As previously mentioned, the OSA obtained available receipts for all of the P-card transactions. Despite the procedures manual, which requires the retention of “all original receipts for goods purchased,” the OSA discovered that many of the P-card transactions could not be traced to supporting receipts.³⁰ In cooperation with law enforcement, the OSA turned to documentation from the applicable vendors (mainly Delta Airlines and Amazon.com) and other resources to determine the legitimacy of these transactions. This process aided the OSA in identifying several of the “Improper” purchases previously discussed. The OSA also identified several questionable purchases for which no supporting receipts were available. These purchases total **\$5,479.93**; they include food and restaurant purchases of \$1,049.56, hotel purchases of \$3,370.98, purchases at cell phone stores of \$217.26, and various other purchases of \$842.13.³¹

Repayments/Refunds

As noted in this report, some of the transactions discussed were refunded by the vendor due to a return of the product or cancellation of the service. In addition, for some transactions, the former Superintendent made payments to the School District personally. In total, the P-card was credited \$5,018.18 in “refunds” from vendors, and the former Superintendent wrote personal checks to the School District totaling \$3,442.44 to refund some of the transactions discussed. He also apparently made a cash payment of \$500 to the School District to reimburse one of the television purchases. These refunds and reimbursements correspond with purchases that are identified as improper or unsupported in this report.³²

Additionally, the former Superintendent wrote a \$3,500 check to the School District on June 30, 2016. Although the School District has attempted to determine precisely what purchases the former Superintendent may have intended to reimburse with this check, this remains unclear.³³ As a result, some but not all of the purchases identified by the School District in these attempts are included in this report. It should be noted that the purchases identified by the School District date from September of 2015 through June of 2016 and do not total exactly \$3,500.

³⁰ See SHAKOPEE PUBLIC SCHOOLS MASTERCARD PURCHASE CARD PROGRAM, Procedures Manual.

³¹ Refunds totaling \$282.91 were applied to the P-card account for two of these purchases.

³² The former Superintendent also wrote checks to the School District for purposes unrelated to this report.

³³ The School District provided two different lists of purchases to the OSA.

Other Questionable Transactions

Non-Itemized Food Purchases

Under Minnesota law, claims presented for payment must be in writing and itemized. *See* Minn. Stat. § 471.38, subd. 1. Monthly statements received from a credit card company lack sufficient detail to comply with these statutory requirements. As a result, public entities using credit cards must retain the invoices and receipts needed to support the items charged.

During the OSA's review of available receipts, the OSA found that only non-itemized receipts were available for several meal purchases totaling **\$4,358.84**. While non-itemized receipts document the occurrence of a transaction, they do not provide itemization. The non-itemized receipts do not reflect what was purchased or the number of items purchased. Thus, although additional School District payments may have occurred for purchases that did not serve a public purpose, such as alcohol or purchases for unauthorized individuals, the lack of itemized receipts prevents the OSA and the School District from making this determination.

Moving Expense Reimbursement

A Memorandum of Understanding dated July 11, 2011, included as an addendum to the Superintendent Agreement between ISD 720 and the former Superintendent, states that "The Superintendent shall be reimbursed up to seven thousand dollars (\$7,000) for reasonable moving expenses incurred."³⁴ Such reimbursements are "subject to the approval of the School Board Chair." The former Superintendent apparently requested and received reimbursement from the School District for a television (\$798.57), carpet installation (\$2,300), lawn supplies, and a new faucet (and related supplies) (\$162.71).³⁵ The OSA questions whether these reimbursements should be considered "reasonable moving expenses."

³⁴ MEMORANDUM OF UNDERSTANDING, dated July 11, 2011.

³⁵ The cost of the television was \$1,159.99, but this amount was reduced by \$361.42 in an apparent effort to keep the amount reimbursed within the moving expense reimbursement benefit limit (\$1,159.99 - \$361.42 = \$798.57).

Conclusion

Based on the OSA’s review for the period August 1, 2011, through June 30, 2017, **\$87,479.07** in improper or unsupported purchases were made with School District Funds.

Improper Transactions		
Personal and Non-Business Travel Purchases	\$	9,751.01
Adoption Benefit Reimbursements and Purchases		47,725.38
Purchases of Alcohol		656.27
Purchases of Sports Memorabilia		2,083.85
Purchases of Electronics		8,065.22
Payments to Obtain Personal Memberships		1,513.70
Non-Business Purchases		9,126.21
iTunes Purchases		191.59
Purchase of Event Tickets		575.06
Fundraising Gala Purchase		2,000.00
DNA and Ancestry Website Purchases		310.85
Total	\$	81,999.14
Unsupported Transactions		
Food and Restaurant Purchases	\$	1,049.56
Hotel Purchases		3,370.98
Purchases at Cell Phone Stores		217.26
Other		842.13
Total	\$	5,479.93

In addition, the OSA identified other questionable transactions, including P-card food purchases that lacked sufficient supporting detail to determine whether they served a public purpose, totaling **\$4,358.84** and questionable moving expense reimbursements totaling **\$3,261.28**.

The OSA will follow up and provide the School District with a separate letter containing internal control recommendations. The OSA remains available to assist the Shakopee Police Department and the Scott County Attorney’s Office.

Attachment A - Personal and Non-Business Travel Purchases

Date	Check/BMO Bank Description	Purchase	Refund/Repayment
Monday, April 30, 2012	DELTA MANKATO MN	369.60	
Monday, April 30, 2012	TRAVEL INSURANCE POLIC 08007296021 VA	22.18	
Monday, May 21, 2012	Supt. Thompson Repayment: Check No. 2866		391.78
Tuesday, May 1, 2012	TRAVEL INSURANCE POLIC 08007296021 VA	18.00	
Tuesday, May 1, 2012	DELTA MANKATO MN	269.60	
Tuesday, May 1, 2012	LEARNING FORWARD 513-523-6029 OH	578.00	
Wednesday, June 27, 2012	LEARNING FORWARD 513-523-6029 OH		239.50
Thursday, July 5, 2012	SHERATON DENVER DENVER CO	211.14	
Thursday, July 12, 2012	DELTA DELTA.COM CA	39.00	
Thursday, July 12, 2012	DELTA DELTA.COM CA	39.00	
Saturday, August 3, 2013	HAMPTON INNS DULUTH MN	179.47	
Sunday, September 22, 2013	GOGOAIR.COM 877-350-0038 IL	14.00	
Sunday, September 22, 2013	GOGOAIR.COM 877-350-0038 IL	14.00	
Monday, October 14, 2013	DELTA CHICAGO IL	398.30	
Monday, October 14, 2013	TRAVEL INSURANCE POLIC 08007296021 VA	24.89	
Tuesday, February 11, 2014	DELTA DELTA.COM CA	29.00	
Wednesday, February 12, 2014	DELTA MINN/ST PAUL MN	25.00	
Saturday, February 15, 2014	DELTA DELTA.COM CA	29.00	
Thursday, May 1, 2014	Supt. Thompson Repayment: Check No. 2726		398.30
Thursday, August 7, 2014	VANELLIS BY THE LAKE FORREST LAKE MN	33.33	
Thursday, August 7, 2014	CANAL PARK BREWING CO DULUTH MN	73.00	
Thursday, August 7, 2014	PABLOS MEXICAN RESTAUR SHAKOPEE MN	81.82	
Saturday, August 9, 2014	SUPER 8 ASHLAND ASHLAND WI	179.20	
Saturday, August 9, 2014	SUPER 8 ASHLAND ASHLAND WI	179.20	
Saturday, August 9, 2014	HAMPTON INNS DULUTH MN	304.98	
Saturday, September 20, 2014	Supt. Thompson Repayment: Check No. 3119		106.33
Wednesday, July 8, 2015	DELTA DELTA.COM CA	458.20	
Wednesday, August 26, 2015	AMERICAN ASSOC OF SCHO 730-875-0779 VA	75.00	
Wednesday, August 26, 2015	DELTA DELTA.COM CA	487.20	
Saturday, October 3, 2015	DELTA DELTA.COM CA	29.00	
Saturday, October 3, 2015	DELTA DELTA.COM CA	29.00	
Saturday, October 3, 2015	DELTA DELTA.COM CA	506.20	
Saturday, October 3, 2015	VANELLIS BY THE LAKE FORREST LAKE MN	506.20	
Tuesday, October 6, 2015	OWW*ORBITZ.COM 888-656-4546 IL	475.50	
Monday, November 2, 2015	DELTA DELTA.COM CA	308.00	
Friday, November 13, 2015	DELTA MINN/ST PAUL MN	19.00	
Friday, November 13, 2015	DELTA MINN/ST PAUL MN	25.00	
Saturday, November 14, 2015	DELTA ATLANTA GA		29.00
Monday, November 16, 2015	DELTA NASHVILLE TN	25.00	
Tuesday, December 8, 2015	PRECHECK #9107 BILLERICA MA	85.00	
Friday, January 1, 2016	AMERICAN ASSOC OF SCHO 730-875-0779 VA		75.00
Thursday, January 7, 2016	DELTA ATLANTA GA		487.20
Sunday, February 7, 2016	DELTA DELTA.COM CA	803.20	
Sunday, February 28, 2016	OWW*ORBITZ.COM 888-656-4546 IL		454.69
Thursday, April 28, 2016	DELTA DELTA.COM CA	158.00	
Thursday, April 28, 2016	DELTA DELTA.COM CA	724.20	
Monday, May 16, 2016	DELTA DELTA.COM CA	710.80	
Monday, May 16, 2016	DELTA DELTA.COM CA	710.80	
Monday, May 23, 2016	DELTA DELTA.COM CA	177.00	
Monday, May 23, 2016	DELTA DELTA.COM CA	177.00	
Thursday, September 29, 2016	RICO SUN TOURS 787-503-2080 PRI	150.00	
Wednesday, October 12, 2016	DELTA ATLANTA GA		887.80
Wednesday, October 12, 2016	DELTA ATLANTA GA		887.80
Monday, May 22, 2017	Supt. Thompson Repayment: Check No. 3512		724.20
Monday, May 22, 2017	Supt. Thompson Repayment: Check No. 3513		158.00
Tuesday, May 23, 2017	Supt. Thompson Repayment: Check No. 3515		566.20
Total		\$ 9,751.01	\$ 5,405.80

* According to Delta Airline records this flight remains "Open" rather than refunded or exchanged despite purchasing travel insurance.

+ According to Delta Airline records three tickets for the same trip were purchased for Supt. Thompson. One of them was flown, one was exchanged and one remains open.

Attachment B - Improper Adoption Benefit Reimbursements and Purchases

Date	Check/BMO Description	Purchase
Thursday, February 13, 2014	School District Check No. 710927	14,800.00
Friday, February 21, 2014	School District Check No. 7	5,800.00
Thursday, July 17, 2014	School District Check No. 713535	14,800.00
Wednesday, August 20, 2014	TRAVEL INSURANCE POLIC 08007296021 VA	17.50
Wednesday, August 20, 2014	TRAVEL INSURANCE POLIC 08007296021 VA	17.50
Thursday, August 21, 2014	SUNCOUNTR CHICAGO IL	123.10
Thursday, August 21, 2014	SUNCOUNTR CHICAGO IL	123.10
Friday, September 5, 2014	SUNCOUNTR CHICAGO IL	407.10
Friday, September 5, 2014	SUNCOUNTR CHICAGO IL	407.10
Friday, September 5, 2014	EXPEDIA*184500331116 BELLEVUE NV	108.00
Sunday, September 7, 2014	SUN COUNT 8003596786 MN	50.00
Sunday, September 7, 2014	SUN COUNT 8003596786 MN	40.00
Monday, September 8, 2014	MSP BARRIO SAINT LOUIS P MN	71.15
Monday, September 15, 2014	EMBASSY SUITES ANAHEIM ORANGE CA	1,385.36
Tuesday, September 16, 2014	SUNCOUNTR CHICAGO IL	780.10
Tuesday, September 16, 2014	SUNCOUNTR CHICAGO IL	780.10
Wednesday, September 17, 2014	EMBASSY SUITES ANAHEIM ORANGE CA	413.27
Wednesday, October 1, 2014	ADOPTION NETWORK LAW	2,750.00
Thursday, October 2, 2014	ADOPTION NETWORK LAW	3,090.00
Tuesday, October 28, 2014	SQ *WELLSPRING	1,762.00
	Total	\$ 47,725.38

Attachment C - Purchases of Alcohol

Date	Check/BMO Description	Purchase	Repayment
Wednesday, October 17, 2012	CAD674.73@1.039868SHERATON 514-8782000 Q	8.21	
Friday, October 19, 2012	CAD322.46@1.031694SHERATON MONTREAL QC	73.76	
Friday, October 19, 2012	CAD135.83@1.031731SHERATON MONTREAL QC	34.40	
Tuesday, April 15, 2014	JOES KANSAS CITY BAR-B LEAWOOD KS	4.50	
Saturday, June 27, 2015	GRAFTON STREET - CAMBR CAMBRIDGE MA	54.00	
Thursday, July 2, 2015	LUCKY'S BOSTON MA	51.00	
Saturday, December 19, 2015	JOE THEISMANN'S RESTAU ALEXANDRIA VA	24.00	
Monday, December 21, 2015	GRILLE DISTRICT ARLINGTON VA	16.00	
Sunday, April 17, 2016	GRILLE DISTRICT ARLINGTON VA	8.00	
Thursday, October 20, 2016	Supt. Thompson Repayment: Check No. 3188		58.84
Friday, October 21, 2016	RENAISSANCE HOTELS PAL INDIAN WELLS CA	323.56	
Friday, October 21, 2016	RENAISSANCE HOTELS PAL INDIAN WELLS CA	58.84	
	Total	\$ 656.27	\$ 58.84

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* For these amounts, the hotel receipt was in Canadian dollars, and the BMO charge was in U.S. dollars; so the OSA calculated the subtotals in U.S. dollars.

Attachment D - Purchases of Sports Memorabilia

Date	BMO Description	Purchase	Refund
Tuesday, April 14, 2015	THE GREAT FRAME UP 275 BURNSVILLE MN	440.84	
Saturday, April 18, 2015	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	105.00	
Tuesday, April 21, 2015	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	25.98	
Tuesday, April 21, 2015	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	23.99	
Wednesday, April 22, 2015	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	173.99	
Wednesday, April 22, 2015	Amazon.com AMZN.COM/BILL WA	80.94	
Thursday, April 23, 2015	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	134.98	
Thursday, April 23, 2015	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	47.33	
Wednesday, March 16, 2016	PAYPAL *DOLCE PELLE 4029357733 CA	205.94	
Wednesday, March 16, 2016	PAYPAL *DOLCE PELLE 4029357733 CA		205.94
Friday, April 1, 2016	PAYPAL *NGANDOZA 4029357733 CA	220.00	
Tuesday, April 5, 2016	PAYPAL *LIBRAOFQUEE 4029357733 CA	19.00	
Thursday, April 14, 2016	FRG*FANSEGE.COM 877-965-3955 FL	156.98	
Thursday, April 14, 2016	FRG*FANSEGE.COM 877-965-3955 FL	156.98	
Sunday, May 1, 2016	PAYPAL *LBARKOSKI12 4029357733 CA	60.00	
Sunday, May 1, 2016	PAYPAL *STARSSPORTS 4029357733 CA	44.98	
Sunday, May 1, 2016	PAYPAL *GLITTERGRAP 4029357733 CA	35.99	
Tuesday, May 3, 2016	PAYPAL *BRADFORDEXC 4029357733 CA	150.93	
	Total	\$ 2,083.85	\$ 205.94

Attachment E - Unmonitored Electronics and Accessory Purchases

Date	BMO Description	Purchase
Saturday, February 25, 2012	Best Buy 00000075 ROSEVILLE MN	897.30
Wednesday, June 13, 2012	Amazon.com AMZN.COM/BILL WA	299.00
Tuesday, July 10, 2012	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	48.96
Saturday, July 21, 2012	Amazon.com AMZN.COM/BILL WA	14.28
Sunday, July 22, 2012	Amazon.com AMZN.COM/BILL WA	229.99
Sunday, September 9, 2012	Amazon.com AMZN.COM/BILL WA	79.99
Monday, November 5, 2012	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	22.98
Tuesday, December 4, 2012	Amazon.com AMZN.COM/BILL WA	108.98
Thursday, February 7, 2013	Amazon.com AMZN.COM/BILL WA	33.98
Tuesday, May 21, 2013	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	63.96
Friday, June 28, 2013	Amazon.com AMZN.COM/BILL WA	990.98
Monday, July 1, 2013	BEST BUY 00000117 BLAINE MN	149.95
Monday, July 1, 2013	Amazon.com AMZN.COM/BILL WA	33.98
Tuesday, July 16, 2013	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	994.13
Wednesday, August 28, 2013	Amazon.com AMZN.COM/BILL WA	165.98
Friday, September 27, 2013	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	47.98
Monday, September 30, 2013	Amazon.com AMZN.COM/BILL WA	119.00
Monday, October 7, 2013	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	53.98
Tuesday, November 19, 2013	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	149.95
Monday, March 17, 2014	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	45.99
Tuesday, June 17, 2014	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	280.65
Wednesday, September 24, 2014	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	16.83
Tuesday, October 14, 2014	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	19.99
Monday, October 27, 2014	Amazon.com AMZN.COM/BILL WA	122.91
Tuesday, July 21, 2015	Amazon.com AMZN.COM/BILL WA	118.68
Saturday, August 15, 2015	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	35.99
Wednesday, August 26, 2015	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	205.98
Wednesday, August 26, 2015	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	12.29
Monday, September 7, 2015	AMAZON.COM AMZN.COM/BI AMZN.COM/BILL WA	70.53
Tuesday, September 8, 2015	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	54.46
Tuesday, September 8, 2015	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	39.98
Friday, September 25, 2015	Amazon.com AMZN.COM/BILL WA	1,597.78
Friday, October 2, 2015	Amazon Digital Svcs 866-216-1072 WA	246.95
Friday, October 9, 2015	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	33.98
Sunday, November 29, 2015	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	155.06
Monday, November 30, 2015	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	92.99
Monday, November 30, 2015	Amazon.com AMZN.COM/BILL WA	32.12
Wednesday, December 30, 2015	AMAZON DIGITAL SVCS 86 866-216-1072 WA	117.01
Friday, January 1, 2016	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	36.15
Sunday, May 1, 2016	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	24.99
Saturday, June 4, 2016	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	24.88
Sunday, July 3, 2016	AMAZON.COM AMZN.COM/BI AMZN.COM/BILL WA	72.12
Monday, July 4, 2016	AMAZON.COM AMZN.COM/BI AMZN.COM/BILL WA	53.63
Friday, October 21, 2016	AMAZON.COM AMZN.COM/BI AMZN.COM/BILL WA	47.93
	Total Purchases	\$ 8,065.22

Attachment F - Membership and Subscription Purchases

Date	Check/BMO Description	Purchase	Refund/Repayment
Thursday, September 6, 2012	SAMS CLUB#6311 SHAKOPEE MN	26.25	
Friday, October 11, 2013	AmazonPrime Membership amzn.com/prme NV	79.00	
Tuesday, October 15, 2013	SAMS INTERNET 888-746-7726 AR	149.98	
Tuesday, August 19, 2014	Amazon Digital Svcs 866-216-1072 WA	9.99	
Friday, September 19, 2014	Amazon Digital Svcs 866-216-1072 WA	9.99	
Saturday, September 20, 2014	Supt. Thompson Repayment: Check No. 3119		19.98
Monday, October 13, 2014	AmazonPrime Membership amzn.com/prme NV	99.00	
Sunday, October 19, 2014	MN ALUMNI ASSOC 06126242323 MN	550.00	
Sunday, October 19, 2014	Amazon Digital Svcs 866-216-1072 WA	10.68	
Sunday, October 19, 2014	NIM*nextissue.com 6506 650-646-2202 NY	9.99	
Thursday, October 30, 2014	Supt. Thompson Repayment: Check No 3120		20.67
Wednesday, November 19, 2014	Amazon Digital Svcs 866-216-1072 WA	10.68	
Wednesday, November 19, 2014	NIM*nextissue.com 6506 650-646-2202 NY	9.99	
Friday, December 19, 2014	Amazon Digital Svcs 866-216-1072 WA	10.68	
Friday, December 19, 2014	NIM*nextissue.com 6506 650-646-2202 NY	9.99	
Saturday, December 20, 2014	Supt. Thompson Repayment: Check No 3213		41.34
Monday, January 19, 2015	Amazon Digital Svcs 866-216-1072 WA	10.68	
Monday, January 19, 2015	NIM*nextissue.com 6506 650-646-2202 NY	9.99	
Thursday, February 19, 2015	Amazon Digital Svcs 866-216-1072 WA	9.99	
Thursday, March 19, 2015	Amazon Digital Svcs 866-216-1072 WA	9.99	
Sunday, April 19, 2015	Amazon Digital Svcs 866-216-1072 WA	9.99	
Tuesday, May 19, 2015	Amazon Digital Svcs 866-216-1072 WA	9.99	
Friday, June 19, 2015	Amazon Digital Svcs 866-216-1072 WA	9.99	
Sunday, July 19, 2015	Amazon Digital Svcs 866-216-1072 WA	10.68	
Wednesday, August 19, 2015	Amazon Digital Svcs 866-216-1072 WA	10.68	
Saturday, September 19, 2015	AMAZON DIGITAL SVCS 86 866-216-1072 WA	10.68	
Monday, October 12, 2015	AmazonPrime Membership amzn.com/prme NV	99.00	
Monday, October 19, 2015	Amazon Digital Svcs 866-216-1072 WA	10.73	
Thursday, November 19, 2015	Amazon Digital Svcs 866-216-1072 WA	10.73	
Saturday, December 19, 2015	AMAZON DIGITAL SVCS 86 866-216-1072 WA	10.73	
Tuesday, January 19, 2016	Amazon Digital Svcs 866-216-1072 WA	10.73	
Friday, February 19, 2016	Amazon Digital Svcs 866-216-1072 WA	10.73	
Tuesday, March 1, 2016	Audible 888-283-5051 NJ	16.05	
Saturday, March 19, 2016	Amazon Digital Svcs 866-216-1072 WA	10.73	
Friday, April 1, 2016	Audible 888-283-5051 NJ	16.05	
Tuesday, April 19, 2016	AMAZON DIGITAL SVCS 86 866-216-1072 WA	10.73	
Sunday, May 1, 2016	Audible 888-283-5051 NJ	16.05	
Friday, May 20, 2016	AMAZON DIGITAL SVCS 86 866-216-1072 WA	10.73	
Wednesday, June 1, 2016	Audible 888-283-5051 NJ	16.05	
Sunday, June 19, 2016	Amazon Digital Svcs 866-216-1072 WA	10.73	
Friday, July 1, 2016	Audible 888-283-5051 NJ	16.05	
Wednesday, July 6, 2016	PAYPAL *MARSHALLMEM 6175664353 CA	50.00	
Tuesday, July 12, 2016	AMAZON DIGITAL SVCS 86 866-216-1072 WA		10.73
Tuesday, July 12, 2016	Amazon Digital Svcs 866-216-1072 WA		10.73
Tuesday, July 12, 2016	AMAZON DIGITAL SVCS 86 866-216-1072 WA		10.73
Tuesday, October 11, 2016	AmazonPrime Membership amzn.com/prme WA	99.00	
	Total	\$ 1,513.70	\$ 114.18

Attachment G - Apparent Non-Business-Related Purchases

Date	Check/BMO Description	Purchase	Refund/Repayment
Saturday, June 9, 2012	Amazon.com AMZN.COM/BILL WA	43.86	
Saturday, June 9, 2012	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	3.50	
Saturday, June 16, 2012	Amazon Services-Kindle 866-321-8851 WA	18.99	
Saturday, June 16, 2012	Amazon Services-Kindle 866-321-8851 WA	6.99	
Saturday, June 16, 2012	Amazon Services-Kindle 866-321-8851 WA	3.99	
Tuesday, June 19, 2012	TOKYO SUSHI & GRILL SHAKOPEE MN	35.89	
Sunday, August 12, 2012	Supt. Thompson Repayment: Check No. 3022		65.86
Wednesday, August 15, 2012	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	75.92	
Monday, September 3, 2012	Amazon.com AMZN.COM/BILL WA	64.81	
Wednesday, September 5, 2012	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	44.52	
Wednesday, September 5, 2012	Amazon.com AMZN.COM/BILL WA	13.42	
Thursday, September 6, 2012	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	29.98	
Sunday, September 9, 2012	Supt. Thompson Repayment: Check No. 2715		29.98
Tuesday, September 18, 2012	Amazon.com AMZN.COM/BILL WA	499.99	
Friday, September 21, 2012	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	156.47	
Friday, September 21, 2012	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	123.99	
Friday, October 5, 2012	Amazon.com AMZN.COM/BILL WA	17.77	
Tuesday, October 9, 2012	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	28.82	
Thursday, October 11, 2012	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	119.06	
Thursday, October 11, 2012	Amazon.com AMZN.COM/BILL WA	35.55	
Thursday, October 11, 2012	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	13.94	
Friday, October 12, 2012	Amazon.com AMZN.COM/BILL WA	11.55	
Monday, October 15, 2012	Supt. Thompson Repayment: Cash		500.00
Wednesday, October 17, 2012	CAD674.73@1.039868SHERATON 514-8782000 Q	5.97	
Thursday, October 18, 2012	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA		123.99
Friday, October 26, 2012	Supt. Thompson Repayment: Check No. 2718		17.77
Friday, October 26, 2012	Supt. Thompson Repayment: Check No. 2717		156.47
Thursday, November 8, 2012	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	90.92	
Thursday, November 8, 2012	Amazon.com AMZN.COM/BILL WA	75.74	
Thursday, November 8, 2012	Amazon.com AMZN.COM/BILL WA	44.44	
Thursday, November 8, 2012	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	35.00	
Thursday, November 8, 2012	Amazon.com AMZN.COM/BILL WA	29.20	
Thursday, November 8, 2012	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	16.49	
Thursday, November 8, 2012	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	11.16	
Monday, November 12, 2012	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	29.66	
Saturday, November 24, 2012	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	333.94	
Saturday, November 24, 2012	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	30.94	
Thursday, December 13, 2012	SPRINT / WL - ORL ORLAND PARK IL	27.24	
Monday, December 17, 2012	Amazon.com AMZN.COM/BILL WA	104.99	
Monday, December 17, 2012	Amazon.com AMZN.COM/BILL WA	67.39	
Thursday, January 10, 2013	Supt. Thompson Repayment: Check No. 3264		364.88
Friday, February 1, 2013	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA		16.49
Friday, February 1, 2013	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA		23.97
Friday, February 1, 2013	Amazon.com AMZN.COM/BILL WA		75.74
Wednesday, February 27, 2013	Amazon.com AMZN.COM/BILL WA	14.87	
Friday, June 7, 2013	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	93.98	
Wednesday, July 31, 2013	Amazon.com AMZN.COM/BILL WA	94.99	
Tuesday, October 8, 2013	Amazon.com AMZN.COM/BILL WA	64.60	
Saturday, October 19, 2013	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	28.98	
Saturday, October 19, 2013	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	23.58	
Monday, October 28, 2013	Amazon.com AMZN.COM/BILL WA	163.17	
Monday, October 28, 2013	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	5.34	
Thursday, December 26, 2013	BEMOBILE DETROIT LAKES DETROIT LAKES MN	117.40	
Monday, February 3, 2014	AMZ*Typo Products, LLC amzn.com/pmts WA	104.99	
Monday, March 24, 2014	Amazon.com AMZN.COM/BILL WA	30.93	
Monday, March 24, 2014	Amazon.com AMZN.COM/BILL WA	24.99	

Attachment G - Apparent Non-Business-Related Purchases (Continued)

Date	Check/BMO Description	Purchase	Refund/Repayment
Monday, March 24, 2014	Amazon.com AMZN.COM/BILL WA	17.99	
Monday, March 24, 2014	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	13.98	
Tuesday, March 25, 2014	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	16.38	
Tuesday, March 25, 2014	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	12.99	
Saturday, April 12, 2014	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	283.94	
Thursday, May 1, 2014	Supt. Thompson Repayment: Check No. 2727		168.51
Tuesday, May 6, 2014	DROPBOX DB.TT/CCHELP CA	238.00	
Monday, May 19, 2014	Amazon.com AMZN.COM/BILL WA	63.75	
Monday, June 9, 2014	Amazon.com AMZN.COM/BILL WA	24.10	
Saturday, June 21, 2014	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	89.99	
Monday, June 30, 2014	Amazon.com AMZN.COM/BILL WA	17.99	
Thursday, July 24, 2014	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	84.99	
Saturday, September 13, 2014	BEST BUY MHT 00009472 ORANGE CA	97.18	
Monday, October 13, 2014	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	17.95	
Tuesday, October 14, 2014	COFFEE TA CREAM SHAKOPEE MN	45.81	
Saturday, October 18, 2014	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	24.48	
Saturday, October 18, 2014	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	14.99	
Sunday, October 19, 2014	Amazon.com AMZN.COM/BILL WA	9.61	
Monday, October 20, 2014	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	98.70	
Monday, October 20, 2014	PAYPAL *HENGEDOCKS 4029357733 CA	86.12	
Monday, October 20, 2014	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	40.07	
Thursday, October 23, 2014	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	42.85	
Thursday, October 30, 2014	Supt. Thompson Repayment: Check No. 3120		153.33
Sunday, December 14, 2014	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	21.95	
Tuesday, January 20, 2015	Amazon.com AMZN.COM/BILL WA	31.92	
Tuesday, March 3, 2015	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	373.99	
Wednesday, April 8, 2015	USPS 26860008733413030 SHAKOPEE MN	90.57	
Wednesday, April 22, 2015	TARGET 00012724 SHAKOPEE MN	40.52	
Thursday, April 30, 2015	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	47.95	
Monday, May 4, 2015	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	58.73	
Wednesday, May 6, 2015	DROPBOX*V354P96KQN4C DB.TT/CCHELP CA	238.00	
Saturday, May 30, 2015	Amazon.com AMZN.COM/BILL WA	9.55	
Saturday, June 6, 2015	GARMIN INTERNATIONAL 09133978200 KS	89.99	
Thursday, July 23, 2015	Amazon.com AMZN.COM/BILL WA	67.73	
Monday, September 7, 2015	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	199.99	
Monday, September 7, 2015	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	173.99	
Tuesday, September 22, 2015	PAYPAL *GC INC 4029357733 CA	219.99	
Thursday, October 8, 2015	Amazon.com AMZN.COM/BILL WA	428.39	
Thursday, October 22, 2015	PAYPAL *WILD WEST 4029357733 CA	259.95	
Friday, October 23, 2015	PAYPAL *WILD WEST 4029357733 CA		259.95
Sunday, October 25, 2015	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	58.98	
Monday, October 26, 2015	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	472.42	
Tuesday, October 27, 2015	Amazon.com AMZN.COM/BILL WA		372.60
Wednesday, November 11, 2015	Amazon.com AMZN.COM/BILL WA		52.81
Thursday, December 3, 2015	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	71.90	
Monday, December 14, 2015	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	56.95	
Monday, December 14, 2015	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	49.99	
Monday, February 8, 2016	Amazon.com AMZN.COM/BILL WA	193.26	
Wednesday, February 24, 2016	Amazon.com AMZN.COM/BILL WA		184.28
Wednesday, March 9, 2016	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	76.95	
Thursday, March 10, 2016	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	12.99	
Monday, March 28, 2016	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	39.96	
Wednesday, April 13, 2016	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	362.79	
Tuesday, May 17, 2016	SAMS INTERNET 08887467726 AR	161.04	
Wednesday, May 18, 2016	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	49.99	
Friday, May 20, 2016	AMAZON.COM AMZN.COM/BI AMZN.COM/BILL WA	51.38	

Attachment G - Apparent Non-Business-Related Purchases (Continued)

Date	Check/BMO Description	Purchase	Refund/Repayment
Friday, May 20, 2016	Amazon.com AMZN.COM/BILL WA	51.38	
Monday, May 23, 2016	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	61.74	
Monday, May 23, 2016	AMAZON.COM AMZN.COM/BI AMZN.COM/BILL WA	32.20	
Monday, May 23, 2016	AMAZON.COM AMZN.COM/BI AMZN.COM/BILL WA	32.20	
Monday, May 23, 2016	AMAZON.COM AMZN.COM/BI AMZN.COM/BILL WA	24.34	
Tuesday, May 24, 2016	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	144.07	
Tuesday, May 24, 2016	AMAZON.COM AMZN.COM/BI AMZN.COM/BILL WA	119.11	
Wednesday, June 8, 2016	AMAZON.COM AMZN.COM/BI AMZN.COM/BILL WA		32.20
Wednesday, June 8, 2016	AMAZON.COM AMZN.COM/BI AMZN.COM/BILL WA		51.38
Thursday, June 9, 2016	Amazon.com AMZN.COM/BILL WA	11.26	
Friday, June 10, 2016	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	51.09	
Saturday, June 11, 2016	Amazon.com AMZN.COM/BILL WA	136.36	
Monday, June 13, 2016	AMAZON MKTPLACE PMTS AMZN.COM/BILL WA	45.98	
Saturday, October 22, 2016	Amazon.com AMZN.COM/BILL WA	42.90	
	Total	\$ 9,126.21	\$ 2,650.21

Attachment H -Unexplained/Unsupported iTunes Purchases

Date	BMO Description	Purchase	Refund
Sunday, June 8, 2014	APL*APPLE ITUNES STORE 866-712-7753 CA	100.00	
Tuesday, June 17, 2014	APL*APPLE ITUNES STORE 866-712-7753 CA	5.33	
Wednesday, June 25, 2014	APL*APPLE ITUNES STORE 866-712-7753 CA	1.38	
Thursday, June 26, 2014	APL*APPLE ITUNES STORE 866-712-7753 CA	16.02	
Thursday, June 26, 2014	APL*APPLE ITUNES STORE 866-712-7753 CA	12.81	
Wednesday, July 2, 2014	APL* ITUNES.COM/BILL 866-712-7753 CA	21.36	
Wednesday, July 16, 2014	APL* ITUNES.COM/BILL 866-712-7753 CA	12.22	
Monday, July 21, 2014	APL* ITUNES.COM/BILL 866-712-7753 CA	11.03	
Friday, July 25, 2014	APL* ITUNES.COM/BILL 866-712-7753 CA	1.38	
Friday, August 1, 2014	APL* ITUNES.COM/BILL 866-712-7753 CA	1.38	
Saturday, August 9, 2014	APL* ITUNES.COM/BILL 866-712-7753 CA	1.38	
Saturday, August 16, 2014	APL* ITUNES.COM/BILL 866-712-7753 CA	1.38	
Thursday, August 21, 2014	APL* ITUNES.COM/BILL 866-712-7753 CA	3.16	
Tuesday, August 26, 2014	APL* ITUNES.COM/BILL 866-712-7753 CA	2.76	
Sunday, September 14, 2014	APL* ITUNES.COM/BILL 866-712-7753 CA		40.84
	Total	\$ 191.59	\$ 40.84