

IRRRB SHOULD DO THE RIGHT THING

by Charlotte Neigh, Co-Chair, Citizens Against the Mesaba Project (CAMP)

Accountability for millions of public dollars is at stake. The issue is whether the public should have the right to scrutinize the way in which funds are managed by the Iron Range Resources and Rehabilitation Board. Under Minnesota law the answer would normally be yes. However, in May 2008 State Sen. Tom Bakk took away that right by slipping an amendment into the omnibus tax bill to assure that financial information relating to recipients of IRRRB funds would be kept secret.

Bakk's maneuver likely was in reaction to embarrassment resulting from an investigation by the Office of the Legislative Auditor into IRRRB's management of the \$9.5 million it gave to Excelsior Energy for the Mesaba Project. The investigation was triggered by a complaint from CAMP based on its review of IRRRB files, which was possible under the state's data practices law. That is the law from which Bakk has created an exemption for IRRRB borrowers.

This secrecy was one of the issues raised by the Duluth News Tribune (DNT) in an investigative report and editorial in August 2011, questioning what happened to our more than \$40 million in state and federal funds spent by Excelsior on its failed project. In a September report it also questioned the millions spent on lobbying and the tens of thousands in political contributions. The DNT articles can be found at: <http://www.camp-site.info>.

Reactions to the DNT exposé largely focused on the disclosure that Excelsior's co-CEOs, husband and wife Tom Micheletti and Julie Jorgensen, apparently have paid themselves \$600,000 annually in combined salaries. They are the only two shareholders, having invested a total of \$60,000 when they founded the company in 2001. Many have been shocked at this disproportionate payoff, given the company's failure to build power plants and provide jobs as its promoters promised. The shock turned to outrage as people learned that special legislation to keep Excelsior's financial information secret was passed in an underhanded manner.

The IRRRB can correct this situation by passing a resolution and pursuing legislation to restore the jurisdiction of the state's data practices act over the IRRRB files. Such a resolution has been proposed by State Rep. Tom Anzelc, and Board Chair Tom Rukavina reportedly told the DNT that he thinks things should be done in the open and he is not against the proposal. The extent to which other members agree will be tested at the next meeting on October 20th.

Some of the legislators who sit on the IRRRB have said that their constituents are not concerned about this issue. Don't let State Sen. Tom Saxhaug and Rep. Carolyn McElfattrick, who represent many of this newspaper's readers, make that mistake. Let them know that public accountability for public funds is important to their constituents.