

STATE OF MICHIGAN
DEPARTMENT OF ATTORNEY GENERAL



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October 22, 2024

Mr. Kurt Weiss
Board of Ethics, Executive Secretary
400 S Pine St, P.O. Box 30002
Lansing, MI 48909

Re: Ethics Complaint of Tedda Hughes

Dear Mr. Weiss:

In addition to providing a copy of Randy Thelen's enclosed answer to the above complaint, please provide the Board a copy of this letter which is an executive summary of Thelen's answer.

In response to Tedda Hughes' allegations, none of which are based on personal knowledge, Thelen has complied with all applicable ethics policies and denies each allegation of wrongdoing. Accordingly, Thelen requests that the Board issue a decision, without a hearing, finding that no ethics violations have occurred and dismissing the complaint.

In support of this request, Thelen, in his answer, provides a factual background of the Michigan Strategic Fund. Specifically, he notes that the MSF is a highly regulated entity with statutory and procedure-based ethics requirements as well as a statutorily created compliance office which has not identified any ethics-related issues during Thelen's one-and-a-half-year tenure on the MSF Board.

Further, Thelen was appointed to the MSF Board because of his experience in the economic-development field, and his position as the president and CEO of The Right Place, a successful economic development organization, was well-known at the time of his appointment. In fact, as required under EO 2019-13, Thelen was nominated by the Senate Majority Leader because of his work in the private sector and experience in private equity, venture capital investments, commercial lending, and the commercialization of technology. For all practical purposes, Thelen possesses the precise qualifications required for appointment to the MSF Board.

What's more, as is required by MSF's conflict of interest policy, Thelen has notified board members of his conflicts of interest and recused from participating in every vote and related discussion whenever The Right Place was before the Board on application for grant funds. And contrary to the allegation that Thelen's

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employment is inherently incompatible with his role on the MSF, Thelen has an 83 percent attendance rate at MSF meetings and has only recused or abstained from 5.7 percent of the votes taken during the meetings he attended.

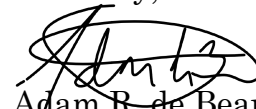
As for the specific subsection of the Ethics Act Hughes claims he has violated, Thelen responds as follows:

- **MCL 15.342(3):** Thelen has not used MSF resources to retain any definable or tangible gain or benefit, and there is no question of material fact to support a finding that Thelen violated this subsection.
- **MCL 15.342(4):** Thelen has not solicited or accepted anything of value for his employer, and every time his employer was an applicant for a MSF grant award, Thelen notified the board and recused himself from voting and discussion. As such, there is no question of material fact to support a finding that Thelen violated this subsection.
- **MCL 15.342(5):** Because he recused from every vote where his employer was seeking a grant award, Thelen was never in a position where he could have benefited financially from his role with the MSF. Thus, there is no question of material fact to support a finding that Thelen violated this subsection.
- **MCL 15.342(6):** Because he has complied with all ethics policies and statutes applicable to the MSF and has not participated in any vote where his employer was awarded funding, and because he recused from less than six percent of the votes taken during meetings he attended, there is no question of material fact to support a finding that Thelen violated this subsection.

To summarize, this Board should issue a decision dismissing Hughes' complaint for her failure to demonstrate a question of material supporting a finding that Thelen violated the Ethics Act. Further, because Hughes lacks personal knowledge to support the allegations in her complaint and because the material submitted with Thelen's answer demonstrates that he has never participated in a MSF decision to award his employer with a grant or other monetary award, it is requested that this Board dismiss Hughes' complaint without a hearing.

Thank you for your consideration.

Sincerely,



Adam R. de Bear
Assistant Attorney General
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