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AmericansforPublicTrust.org 202.656.5175



July 26, 2024

Michigan Office of Inspector General P.O. Box 30062 Lansing, MI 48909

Re: Greater Flint Health Coalition

To Whom It May Concern:

Please accept this correspondence as a formal request for an investigation into the facts and circumstances surrounding the hiring of Governor Gretchen Whitmer's former Legislative Affairs Director, Mr. Curtis Hertel, by a nonprofit which received taxpayer funds totaling \$1.5 million. These are the same taxpayer funds Mr. Hertel lobbied for as part of Governor Whitmer's budget, and the same taxpayer funds which his spouse, the Director of the Michigan Department of Health and Human Services, authorized and earmarked to his new nonprofit employer. A reasonable person, when viewing the totality of the circumstances, could only conclude that further fact-finding in this case is required.

As a nonprofit, nonpartisan organization, Americans for Public Trust is dedicated to restoring trust in government by holding politicians and political groups accountable for corrupt and unethical behavior. Instances of apparent political self-enrichment, such as Mr. Hertel's fortuitous employment arrangement, invite inquiry, demand scrutiny, and fall squarely within that mission.

The pertinent facts to be taken under review are as follows:

- 1. As Governor Whitmer's chief lobbyist serving as her Legislative Affairs Director, Mr. Hertel negotiated the \$82 billion state budget for Fiscal Year ("FY") 2024, which the State Legislature passed in June 2023.¹
- The budget for FY 2024 allocated \$1.5 million in taxpayer funds to create a Social Determinants of Health ("SDOH") Hub in Flint, MI, with services to be provided by the Greater Flint Health Coalition.²
- 3. The Greater Flint Health Coalition, led by Mr. Hertel's former colleague, Mr. Jim Ananich, reportedly received the \$1.5 million appropriation.³
- 4. On June 30, 2023, the same week the State Legislature finished passing the FY 2024 state budget, Mr. Hertel left Governor Whitmer's administration.⁴
- On July 3, 2023, just days after the FY 2024 state budget had been authorized, Mr. Hertel began working for the Greater Flint Health Coalition through a contract that reportedly pays him \$108,000 annually.⁵
- 6. Mr. Jim Ananich, President & CEO of the Greater Flint Health Coalition, acknowledged that he and Mr. Hertel had discussed Mr. Hertel working for the nonprofit prior to his departure from Governor Whitmer's office.⁶

¹ Craig Mauger, Hertel leaves job in Whitmer's office ahead of expected run for Congress, The Detroit News (June 30, 2023).

² Public Acts of 2023, <u>Act No. 119</u>, 202 (July 31, 2023).

³ Craig Mauger, Key U.S. House Hopeful Moved From Whitmer's Office to Nonprofit Tied to \$1.5M Grant, <u>The Detroit News</u> (Nov. 1, 2023).

⁴ Mauger, *supra* note 1.

⁵ Mauger, *supra* note 3.
⁶ Greater Flint Health Coalition, About, <u>Staff</u> (Accessed July 26, 2024); Mauger, *supra* note 3.

 The funding for the Greater Flint Health Coalition was appropriated by Mr. Hertel's spouse, Elizabeth Hertel, who serves as the director of the Michigan Department of Health and Human Services (MDHHS) – the department responsible for the procurement of SDOH Hub pilot sites – which includes the Greater Flint Health Coalition.⁷

This sequence of events raises serious questions about potential conflicts of interest, undue influence, and misuse of taxpayer funds. Mr. Hertel's rapid transition from negotiating the budget to working for an organization that directly benefits from the same budget, in addition to his spouse's direct involvement, at best, abuts an ethical gray-area, and at worst, has implications that the legal guardrails instituted by the Michigan Legislature to deter such behavior have failed.

Michigan has enacted a variety of laws imposing ethical standards of conduct and prohibiting corrupt practices from public officers and employees, and the conduct described above could potentially violate several of them. Among these are the prohibitions on public employees using their official resources for personal gain or benefit (Mich. Comp. Laws § 15.342), public officials accepting compensation from someone other than the state for personally engaging in lobbying (Mich. Comp. Laws § 4.421), and the promise of money or other things of value to influence official decisions (Mich. Comp. Laws § 750.117). Given the public's limited access to information surrounding these events, a thorough internal investigation is needed to dispel this cloud of suspicion and ensure Michiganders' continued faith in the integrity of their government.

With public service comes great responsibility. Curtis Hertel's peculiar employment circumstances have placed the stewardship of public funds, and the the stewardship of public trust, in question. It is therefore incumbent upon the arbiters of these apparent ethical indiscretions to mitigate any past, current, or future violations of Michigan law. Additionally, please note that a proper review of this matter requires recusal by Mr. Hertel's spouse, Elizabeth Hertel, as her abstention is paramount to establishing impartiality of the review process.

Sincerely,

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Caitlin Sutherland Executive Director Americans for Public Trust

⁷ MDHHS, Inside MDHHS, Executive Staff Bios, Elizabeth Hertel (Accessed July 26, 2024); MDHHS, SDOH Hub Pilots (Accessed July 26, 2024).