



STATE OF IDAHO
OFFICE OF THE STATE TREASURER
 RON G. CRANE STATE TREASURER

*See # 24035
 filed 5-12-16*

16 MAY 12 PM 4:00
 SECRETARY OF STATE
 STATE OF IDAHO

To: Paul Stewart, Shawn Nydegger, Jace Perry, Chris Schaat
 From: Laura Steffler
 Treasurer's Office
 Date: 11-05-15
 Subject: Investment Division

Filed May 12, 2016
 LAWRENCE DENNEY
 Secretary of State
 BY Lisa Mason

The Treasurer and I are in agreement that we have an issue with the Investment Division. It is our perception that the investment staff does not support the Treasurer's decisions, and is possibly working with others outside of the office to provide opposition to his decisions. Some of the actions taken by the Investment Division can be characterized as insubordination. The Investment Division's opinions and analysis are important to the Treasurer, however, the final decisions for the office are made by the Treasurer. While we both expect that you will speak your mind in a professional manner during the decision making process, we also expect that once a decision is made, you will support and carry it out in a professional manner, and in no way try to undermine the process.

The Treasurer and I have decided that staffing changes need to be made. Although it is a difficult decision, we will most likely be terminating staff. Because the Investment Division staff primarily speaks as a unified group, it is difficult to determine if it is all or just some of the employees causing these issues for the purposes of our staffing decisions.

Before we finalize the decision, we would like to provide you three options:

- 1) Provide the Treasurer or me with insight as to why you have not been contributing to the issues in the investment division or why your contributions should not result in your termination.
- 2) If you are not comfortable with carrying out the decisions of the Treasurer with professionalism, resign your position.
- 3) Allow the Treasurer to make his decision based on the information he now has or receives from your coworkers.

If you are asked to stay, you will be required to adhere to a newly written policy concerning carrying out the Treasurer's direction with professionalism. This policy will put in writing the expectations that the Treasurer has always had for your performance.

EXHIBIT

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The new written policy will include a statement that a duty of your position is to respond to assignments with the information and analysis requested by your supervisors. While the matter is under discussion, the policy will direct you to provide information about the options available and the consequences you see for each option. Once a decision is made, your duty will be to carry out the decision with professionalism. This includes professionalism in communicating to people outside the office informally, formally, and during public meetings. Any attempt to undermine the decision of your supervisors will result a severe response and may lead to the termination of your position.

You have until the end of the day to speak with us if you would like. We will finalize our decision and inform you before the end of day Friday, 11-06-15.