



NORTH DAKOTA OFFICE OF THE STATE AUDITOR

State Auditor Joshua C. Gallion

Investigative Report of the Office of the Attorney General

Investigative report as requested by the
Legislative Audit and Fiscal Review Committee

September 27, 2022



Office of the
State Auditor

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HAVE QUESTIONS? ASK US.


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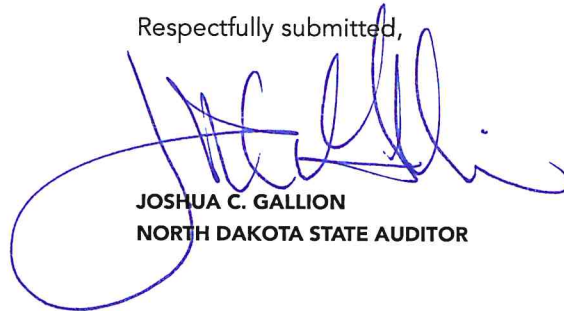
Introduction

Investigative Report Office of the Attorney General

 n June 29th, 2022, the Legislative Audit and Fiscal Review Committee requested our office to review information related to a lease agreement and remodel costs of a facility that was leased by the Attorney General's Office.

The following information is what our team found during the course of that 90-day review.

Respectfully submitted,



JOSHUA C. GALLION
NORTH DAKOTA STATE AUDITOR

WHAT WE REVIEWED - INDIVIDUALS

E-mails from:

- Liz Brocker, Former Administrative Assistant, Attorney General's Office
- Troy Seibel, Former Deputy Attorney General, (cached emails from laptop)
- C.J. Schorsch, owner of Parkway Property Management, part owner of Stealth Properties, owner of Frontier Contracting LLC
- John Boyle, Director of Facility Management, Office of Management and Budget
- Media open records request to the Attorney General's Office

Interviewed:

- C.J. Schorsch, owner of Parkway Property Management, part owner of Stealth Properties, owner of Frontier Contracting LLC
- Becky Keller, Accountant, Attorney General's Office
- Tasha Gerding, Accountant, Attorney General's Office
- Duane Schell, Chief Technology Officer, North Dakota Information Technology Department
- John Boyle, Director of Facility Management, Office of Management and Budget
- Jason Dockter, Legislator, owner of Parkway Property Management, part owner of Stealth Properties, owner of Frontier Contracting LLC
- Claire Ness, Deputy Attorney General
- Lonnie Grabowska, Bureau of Criminal Investigation Division Director, Attorney General's Office
- Parrell Grossman, Consumer Protection and Antitrust Division Director, Attorney General's Office

Did not Respond to Interview Request:

- Troy Seibel, Former Deputy Attorney General
- Liz Brocker, Former Administrative Assistant, Attorney General's Office



WHAT WE REVIEWED - PROPERTY

Leases Reviewed:

- Prior lease agreements for Bureau of Criminal Investigation, Consumer Protection and Antitrust Division, North Dakota Lottery, Criminal Justice Information System, State Fire Marshal, Attorney General Information Technology
(all are divisions of the Attorney General's Office)
- Attorney General's current (new) lease on Burlington Drive
- Health Department current lease in the same building on Burlington Drive
- Prior lease of North Dakota Information Technology Department that occupied some of the Burlington Drive building

Toured:

- Burlington Drive building, including addition with garage shop

WHAT WE REVIEWED - RECORDS

Documents Reviewed:

- Floor plans
- Invoices of available remodel and construction cost
- Banking information

Requested, did not receive:

- Change orders (Parkway Property Management stated they did not exist)



IMPORTANT TO NOTE - ENTITY OWNERS

STEALTH PROPERTIES

- Jason Dockter
- C.J. Schorsch
- Mike Gietzen
(Co-Owner of Northern Plains Plumbing, Heating and Air, contractor used to perform work on the building at Burlington Drive)
- Jed Fluhrer
(Commercial Loan Officer at First International Bank & Trust, the bank used to secure the loan for the building at Burlington Drive)
- Craig Dockter
- Mark Aurit
- Alex Schmidt
- Mike Luther

PARKWAY PROPERTY MANAGEMENT

- Jason Dockter
- C.J. Schorsch

FRONTIER CONTRACTING LLC

- Jason Dockter
- C.J. Schorsch



TERMS USED

Change Order

Any modification or change to work agreed to in the contract is treated as a variation and additional charges are incurred.

Common Area Maintenance Charges (CAM)

Charges billed to tenants in a commercial lease, and are paid by tenants to the landlord of a commercial property. A CAM charge is an additional rent, charged on top of base rent, and is mainly composed of maintenance fees for work performed on the common area of a property (i.e. snow removal).

Legislative Audit and Fiscal Review Committee (LAFRC)

Legislative committee that reviews updates to government auditing standards and develops guidelines for the contents of state agency audit reports.

North Dakota Information Technology (NDIT)

Provides information technology services to the State of North Dakota.

Questioned Cost

Charges that appear to be an improper payment.

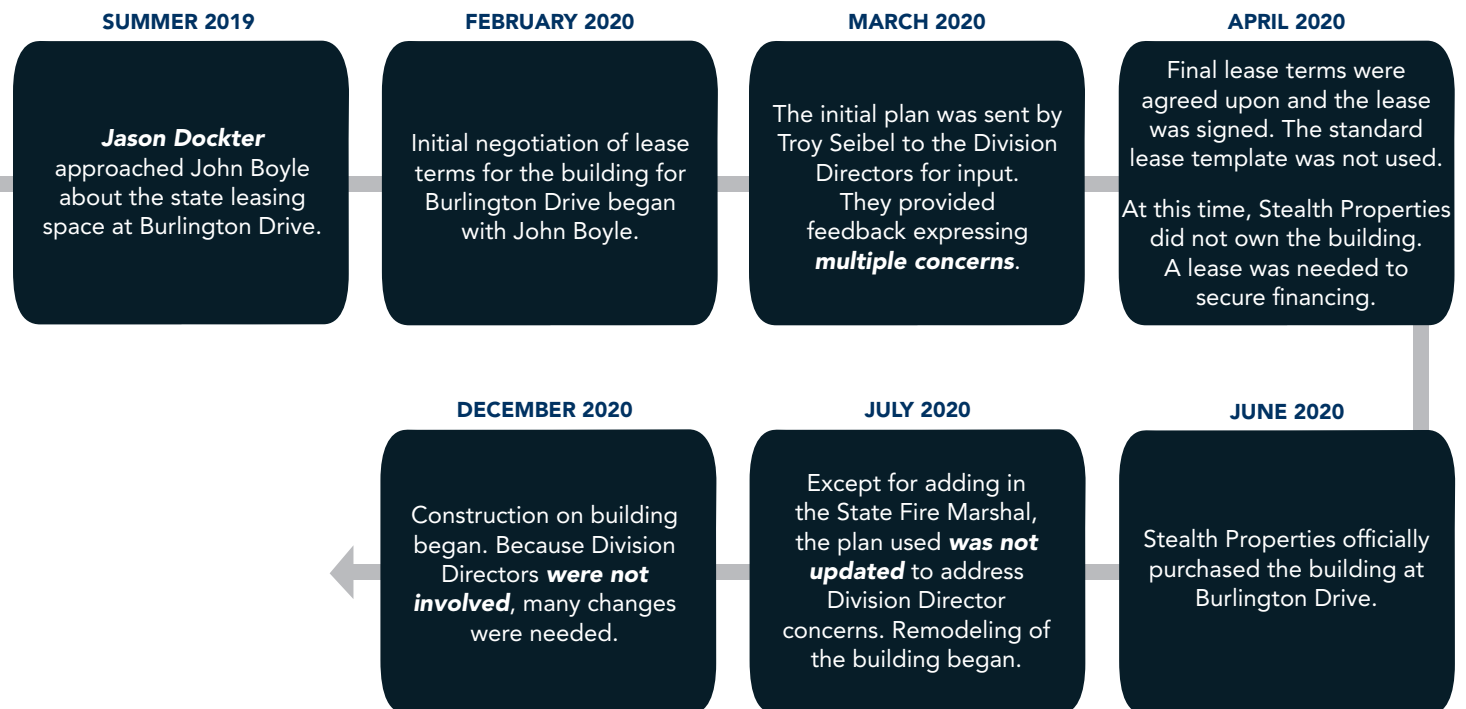
Timeline - Lease

In 2017, the Director of the Bureau of Criminal Investigation (BCI) - a division of the Attorney General's Office - started looking for new space to meet the demands of the growing division. Several buildings were toured by the Director of BCI during this process.

Because Wayne Stenehjem and Troy Seibel's e-mails were not able to be recovered by our office, the full picture of what happened is not known. At some point, the Director of BCI seemed to be cut out of communications, and the building at Burlington Drive was chosen. That building is now owned by Stealth Properties, which Jason Dockter is a owner of.

Wayne Stenehjem and Troy Seibel wanted all of the divisions of the Attorney General's Office, located outside of the capitol, to be located in one shared space. Several divisions of the Attorney General's Office (Bureau of Criminal Investigation, Consumer Protection and Antitrust, North Dakota Lottery, Criminal Justice Information System, State Fire Marshal, and Attorney General Information Technology) were part of the relocation to Burlington Drive. The Medicaid Fraud Control Unit was initially part of the relocation discussion but they ran out of room in the space on Burlington Drive for them. Two divisions, Civil Litigation and the State Crime Lab were never considered for the move.

Each division requires specific space needs, however the Division Director's feedback expressing concerns about the relocation were disregarded. Not one Division Director toured the space until after the original lease was signed in April 2020.



Our team recognizes this timeline is incomplete. Because of missing e-mails, and the inability to interview some individuals, we do not have a complete understanding of what happened.

The Building

Why the Attorney General's Office moved to that specific building



Burlington Drive Building

How did the Attorney General's Office end up in the building on Burlington Drive?

In 2017, the Attorney General's office knew their current lease from a building on the north side of Bismarck would be ending in 2021. Two divisions of the Attorney General's Office, the Bureau of Criminal Investigations (BCI), and the State Fire Marshal began looking for a new space.

From 2017 through 2019, the Director of BCI toured several open building spaces on the north side of Bismarck, however none of the spaces found were suitable for their specific space needs.

From this point forward, our team does not have a complete picture of everything that happened because of a lack of documentation and the inability to interview all key parties.

It is important to note the following:

- Jason Dockter is a legislator and owner of Parkway Property Management, Stealth Properties, and Frontier Contracting LLC.
- C.J. Schorsch is an owner of Parkway Property Management, Stealth Properties, and Frontier Contracting LLC.
- Stealth Properties is a group of individuals (full group listed on page 5) who own the Burlington Drive building.

North Dakota Information Technology (NDIT) had a lease in the Burlington Drive building that was ending on May 31, 2020. E-mail records showed that during the summer of 2019, Jason Dockter began contacting the state's Director of Facility Management, John Boyle, trying to come up with a lease arrangement to get a state tenant into the building on Burlington Drive that he was interested in purchasing. State tenants can have 10-year leases, with a renewal option.

****Note: Jason Dockter stated the Attorney General's office approached him. E-mail records indicated otherwise.***



Image of building at Burlington Drive from Google Maps

At some point during 2019, Stealth Properties decided to purchase the property on Burlington Drive. Jason Dockter began negotiating the lease terms with John Boyle in February 2020.

In March 2020, as the lease was being negotiated, Troy Seibel asked for feedback on the idea of relocation and the proposed floor plan from the affected Division Directors.

The divisions that were initially included were:

- The Bureau of Criminal Investigation
- Consumer Protection and Antitrust Division
- North Dakota Lottery
- Criminal Justice Information System
- State Fire Marshal
- The Attorney General Information Technology
- Medicaid Fraud Control Unit



None of the **Division Directors** toured the building before the lease was signed.

Each of these divisions have their own specific space and security needs given the nature of their work. The Division Directors responded with their specific concerns about the space.

Some of the initial concerns identified included the following:

- No space was included for the State Fire Marshal

- No space was included for the Medicaid Fraud Control Unit

There were concerns that the space lacked the following:

- Conference rooms
- Bathrooms
- Offices for all divisions
- File storage space
- Breakroom area
- Copier room with document surface space
- Adequate room for administrative assistants

Even with these concerns from the Division Directors, a lease was signed for the property on Burlington Drive in April 2020 with John Boyle's approval. The lease included \$50 per square foot for remodeling and \$220 per square foot for the new addition. This would be the portion that Stealth Properties would pay. These amounts were determined based on current costs of other projects. John Boyle felt these were sufficient to cover the entire project with no additional costs to the Attorney General's Office. None of the Division Directors toured the building before the lease was signed.

This lease was signed prior to Stealth Properties taking ownership of the building in June 2020 in order to use the long-term lease revenue to secure financing for the purchase.

The remodel began in July 2020. Troy Seibel provided a re-drawn plan to include space for the Fire Marshal. This was the only major concern addressed.

The Director of the Bureau of Criminal Investigation was informed that their garage was going to be relocated to Burlington Drive and become part of the new addition. The construction on the new addition began in December of 2020.

Timeline - Remodel

JANUARY 2021

Building required large amounts of remodel work because **the space was insufficient**. Change requests kept coming in and **brought significant costs**. Troy Seibel was made aware of additional costs.

APRIL 2021

Attorney General accounting department met with Troy Seibel on CAM charges and concerns over having to help pay for project costs.

JUNE 2021

Attorney General accounting department found out they were expected to pay \$1.74 million for the project. At this time, there were **no project invoices** to support this amount.

JULY 2021

Attorney General accounting department paid \$1.34 million for costs incurred from building. **Money was pulled from whatever department** they could use. Costs were not evenly divided.

FALL 2021

Attorney General accounting department continually asks for detailed project invoices to back up the payments made. Invoices were not received until Spring 2022, after Troy resigned.

SEPTEMBER 2021

Attorney General's Office fully moved into the building at Burlington Drive.

AUGUST 2021

Accounting department noted that a lease amendment was needed because of rolling the additional \$400,000 (difference between \$1.74 to \$1.34 million) into the first five years of the lease payment.

Our team recognizes this timeline is incomplete. Because of missing e-mails, and the inability to interview some individuals, we do not have a complete understanding of what happened.

The Remodel

Subcontractors and cost



Burlington Drive Building Cost

CHANGES TO THE BUILDING

Construction continued in January 2021. The Division Directors started looking at the space as work was being completed. They were concerned the building at Burlington Drive would not meet their needs. The Division Directors started to request changes be made to the plan. Around this time, BCI noticed that their garage space was larger than their previous garage space, which took away square footage for other office space.

IMPACT OF CHANGE ORDERS

Based on our team's discussion with John Boyle, it is common for subcontractors to add an additional overhead and profit percentage to each change order on a project, most often at a rate of 10%. Our team was not able to obtain all of the individual change orders, however, we did see contractor billings which included the initial project costs and the total amount of change orders for a subcontractor. The total amount of known change orders for the primary subcontract was approximately \$1.3 million on their initial project of \$400,000. This cost the state over \$100,000 in additional change order fees.

OVERVIEW OF COSTS

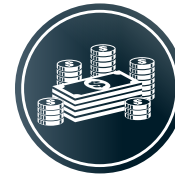
By January 2021, C.J. Schorsch informed Troy Seibel that the project cost was already approaching \$5 million. Because of this, the Attorney General's Office would have to pay at least \$1 million in additional costs. Attorney General accounting staff met with Troy Seibel in April 2021 because they had concerns with the Common Area Maintenance (CAM charge) in the lease and the possibility of the Attorney General's Office having to pay for part of the build-out. Troy Seibel told accounting staff costs would be minimal.

In June of 2021, Troy Seibel e-mailed accounting staff that the office was going to have to pay \$1,742,210 towards the build-out (total project cost of \$5,530,810, subtracting Parkway Property Management's portion of \$3,788,600).

In July of 2021, the accounting staff paid as much as could be paid out of the existing appropriation (\$1,342,210) and it was agreed to pay the remaining \$400,000 by adding that amount into the lease payment over the next five years, which would increase monthly lease expenses by \$6,853.

The amount paid was \$602,185 from the General Fund and \$740,025 from Special Funds.

The costs were not charged to divisions based on the amount of square footage each division would use. There was no standard allocation of cost per division. The Attorney General's Office had to pay from whatever sources they could.



Because none of the Division Directors were consulted, **numerous changes** had to be done all throughout the remodeling process which **continued to add to the overall project cost.**

The \$1,342,210 in costs came out of the following appropriation lines:

- Operating, \$470,187
- Law Enforcement, \$197,900
- Criminal Justice Information System, \$325,876
- North Dakota Lottery, \$348,247

The above costs were paid at the end of the 2019-21 biennium, these would have been turned back to the State's General Fund.

State law (N.D.C.C. 53-12.1-09(4)(d)) requires excess profits from the Lottery to be transferred to the North Dakota General Fund. This means that the costs paid for by the State Lottery, may have caused less money to be transferred to the State General Fund.

The total cost to the Attorney General's Office to relocate would actually be \$2.4 million, as it would include:

- \$1.74 million, *plus*
- \$150,000 to move the heating, ventilation, and air conditioning
- \$5,000 engineer's original plan
- \$496,359 moving costs and other charges (full costs on page 23)

In August of 2021, the Attorney General's accounting staff brought to attention that the lease would need to be amended in order to accommodate the \$400,000 being included in the lease cost. To date, this amendment still has not been completed.

INVOICES AND QUESTIONED COSTS

Our office obtained the invoices provided to the Attorney General's Office from Parkway Property Management. We reviewed each invoice to validate the project costs on the list provided by Parkway Property Management.

Our team created our own list of subcontractors, amounts paid, and date of invoices (page 20). We determined that the amount provided to the Attorney General's Office from Parkway Property Management on June 25, 2021, via email, appears to be based on total project cost estimates rather than invoices received by Parkway Property Management. This resulted in all or a portion of the payment made in July to be a pre-payment. The total payments as of June 25, 2021, were approximately \$3.6 million which is less than the \$3,788,600 allowance Parkway Property Management was going to pay.

We also found that two vendors, which have ownership interest in Stealth Properties, received payments that

were not supported by invoices (page 20). The Attorney General's Office attempted to obtain these and were told Parkway Property Management did not have them.

These payments totaled \$630,192. We consider these a questioned cost.

Finally, during our review of invoices, we identified invoices from one contractor, Frontier Contracting LLC, that are questioned costs.



Frontier Contracting

Who is Frontier Contracting LLC

Frontier Contracting LLC, is registered in the State of North Dakota as a business that does repairs to apartment buildings, lawn care, and snow removal. This was verified with the articles of organization filed with the Secretary of State's Office.

The owners are Jason Dockter and C.J. Schorsch. This was also verified with the Secretary of State's Office. The billing address used on invoices provided to the Attorney General's Office is the same as the address used on an invoice from Parkway Property Management, which is also owned by Jason Dockter and C.J. Schorsch.

We consider the total amount paid to Frontier Contracting LLC a questioned cost for the following reasons:

- The invoices were for contracting services such as bathroom remodeling, flooring installation, and numerous hours of demolition labor (example on page 27). However, Frontier Contracting LLC does not have a contractor's license as required by North Dakota Century Code. This was verified with the Secretary of State's Office.
- Several invoices from Frontier Contracting LLC (page 28) were for services and materials that were already provided by other subcontractors that provided detailed invoices. For example, Frontier Contracting LLC billed for carpet, however a detailed invoice had already been provided by a local carpet retailer (page 29).

- Frontier Contracting LLC received payments totaling \$529,833. We only received invoices supporting \$207,828 of this amount. The remaining \$322,005 did not have invoices. The only verification our team could find were two payments from the bank on behalf of Stealth Properties.
- The invoices from Frontier Contracting LLC are vague (page 25) and do not contain the same level of detail as invoices from other vendors (page 29) providing the same services or materials.
- Several of the invoices from Frontier Contracting LLC were for building maintenance-related services such as repairing bathroom leaks and maintenance of the water fountain, adjusting doors, and fixing the toilet (sample invoice page 24). This appears to be a landlord responsibility and would not be included in the remodel and construction costs. The lease states that the landlord agrees to perform all maintenance and repairs requested by the State which are related to use and habitability of the premises.
- Some invoices from Frontier Contracting LLC were for services that had occurred more than a year ago (page 26).

End Results

BUILDING SPACE

There is less space for the Attorney General in the Burlington Drive building, compared to the prior space they occupied. The office has 2,600 less square feet in the Burlington Drive building, than they had previously.

Because of the \$400,000 added to the lease, the Attorney General's Office is currently paying more per month than their previous leases. Additionally, they are also required to pay utilities costs, which was not required in their previous leases.

THE WORKSPACE

Most of the Division Directors had serious concerns about moving into the building on Burlington Drive for numerous reasons beyond the inadequacy of the initial layout and the number of changes that had to be made.



The office has **2,600 less square feet** in the Burlington Drive building, than they had previously.

Each director noted that the new location did not seem to have adequate space. When our team toured the building, we noted there are only five available workspaces in the facility. Given how much privacy is required for much of their work, lack of space for staff was a concern.

The Division Directors were concerned that there were not enough breakrooms and bathrooms for employees. When our team toured the building, we found much of this space is shared with the Health Department.

The Division Directors were also opposed to the location for a variety of reasons including location and space concerns. Additionally, there are several supervisors who had offices in the previous space who were moved back to cubicles.

They are locked into this current lease for a period of 10 years.

The Subcontractors

List of subcontractors who were used and total amounts



Cost Share Breakdown

Distribution of costs for the remodel and construction work for the building on Burlington Drive

ITEM		COST	SQUARE FOOTAGE	ALLOWANCE PER LEASE	TOTAL
Total Project Cost		-	-	-	\$ 5,530,810
Addition	\$ 220 per sqft		12,580	\$ 2,767,600	-
Remodel	50 per sqft		20,420	1,021,000	-
Total Allowance		-	33,000	-	\$ 3,788,600
Parkway Property Management Paid					
Total Amount Owed by the Attorney General's Office: \$1,742,210					

Information provided by Parkway Property Management, and the lease agreement.

Subcontractor List

The amounts provided appear to be total project cost estimates not actual costs incurred at the time of billing.

Our office obtained invoices to verify the amounts given listed here. Amounts we found were significantly different (following page)

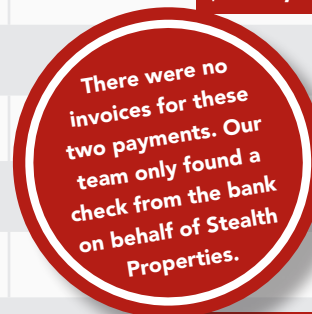
	A	B	C	D	E	F
1	ND AG					
2				1720 Burglington		
3				Allowance Per Lease		
4	Addition	\$50 per sqft	12580	\$2,767,600		
5	Remodel	\$220 per sqft	20420	\$1,021,000		
6	Leased Space		33000	\$3,788,600		
7						
8	Subcontractors	Invoice	Addition	Remodel		
9	Bartlett West Surveying/Engineering	250000	100000	150000	\$45000 lottery and CPAT	
10	Brad Bonnet Contracting/Excavation	62000	53000	9000		
11	Garbage/Disposal	19000	5000	14000		
12	NW Contracting	1754965.77	1283425.7	471540.04		
13	Fortied Armour Level 4 Ballistic Panels	44493.93	11493.93	33000		
14	Tamarack Drywall/labor/texure	82000	47000	35000		
15	Raised Floor system BCI Server Room	42000		42000		
16	NP Heating/HA Thompson	1350000	900000	450000	\$230,000 Server rooms and BCI comm	
17	Fetzer Electric	950000	700000	250000	Lottery \$38000 additional items	
21	CH Glass	78000	28000	50000	Bullet Proof Glass for entry ways,strikes	
22	Johnson Controls-Fire Monitoring-strobes	5900		5900		
23	Electrowatchman	9700	8000	1700	monitor equipment and fire supression	
24	Twin City Roofing	195000	195000			
25	Dakota Flooring/Acoustics (ceilings)	88000	34000	54000		
26	Nova Fire	97000	34000	63000	Includes manifold and additonal 4 inch line	
27	Carpet World - carpet tile and materials/prep	270000	102000	168000		
28	Carpet Garage - hardsurface entry/baths	8750	7450	1300		
29	Tapia Drywall/Painting	93000	57380	35620	Including shop ceilings per Steve	
30	Frontier Contracting demo/landscaping/floor prep	27000	20000	7000		
31	Civil Concrete/Aprons for shop	95000	87000	8000	Concrete curb, apron, sidewalks,	
32	Shop Garage Doors	9000	9000			
33						
34		5530809.7	3681749.63	1849060.04		
35						
36	Total of overages over original scope of work	\$1,742,209.70				
37						

Source: This list was provided by Parkway Property Management to support the amount the Attorney General's office was supposed to pay.

Subcontractor List - Auditor Review

Auditor's reviewed the invoices that Parkway Property Management provided to the Attorney General's Office. The below table shows the total invoices as of the date the Attorney General's Office was notified of their payment amount, invoiced as of June 25, 2021.

COMPANY	VERIFIED	MISSING VERIFICATION	GRAND TOTAL
Barlett & West	\$ 295,766		\$ 295,766
Border States	676		676
Brad Bonnett Contracting	51,685		51,685
Braun Intertec	1,445		1,445
Carpet Garage	6,689		6,689
Carpet World	80,719		80,719
Chad Olheiser	3,141		3,141
Dakota Flooring and Acoustics	42,920		42,920
Electro Watchman	2,280		2,280
Fetzer Electric	241,128		241,128
Francisco Tapia	76,709		76,709
<u>Frontier Contracting LLC</u>	119,096	\$ 289,000	408,096
Haider Glass	1,154		1,154
Hanks Specialties	4,179		4,179
J-S Sanitation	438		438
Midwest Doors	8,340		8,340
<u>Northern Plains Plumbing, Heating and Air</u>	437,779	\$ 308,187	885,279
Northwest Contracting	1,477,977		1,477,977
Nova Fire Protection Inc.	5,000		5,000
Robert Williams	31,303		31,303
TransTrash	1,677		1,677
Twin City Roofing	160,460		160,460
U Call I Haul	4,620		4,620
Grand Total	\$ 3,012,266	\$ 597,187	\$ 3,609,452



Subcontractor List - Total Expenses

Amounts compiled as of February 2022 by Auditor's Office

COMPANY	VERIFIED	MISSING VERIFICATION	GRAND TOTAL
Barlett & West	303,721		303,721
Border States	859		859
Brad Bonnett Contracting	59,670		59,670
Braun Intertec	1,445		1,445
Carpet Garage	9,125		9,125
Carpet World	80,719		80,719
Chad Olheiser	3,141		3,141
Cluster Mailbox	2,154		2,154
Dakota Flooring and Acoustics	67,453		67,453
Electro Watchman	2,470		2,470
Fetzer Electric	558,378		558,378
Francisco Tapia	122,739		122,739
<u>Frontier Contracting LLC</u>	\$ 207,828	\$ 322,005	529,833
Guardian Lock & Security	62		62
HA Thompson	377		377
Haider Glass	1,154		1,154
Hanks Specialties	11,259		11,259
J-S Sanitation	1,198		1,198
Midwest Doors	8,426		8,426
Northern Improvement	25,438		25,438
<u>Northern Plains Plumbing, Heating and Air</u>	1,260,065	\$ 308,187	1,568,252
Northwest Contracting	1,920,843		1,920,843
Nova Fire Protection Inc.	72,924		72,924

This amount is considered a questioned cost as noted on page 15

Because invoices are lacking, these are considered questioned costs.

Subcontractor List - Total Expenses Continued

Amounts compiled as of February 2022 by Auditor's Office

COMPANY	VERIFIED	MISSING VERIFICATION	GRAND TOTAL
Robert Williams	31,303		31,303
Safety-Kleen	787		787
Steve Anthony Stolp	1,417		1,417
TransTrash	3,357		3,357
Twin City Roofing	165,060		165,060
U Call I Haul	8,310		8,310
Warrens Locks & Keys	625		625
Grand Total	4,932,315	630,192	5,562,507

Additional Costs Paid by the Attorney General's Office to Relocate

Costs covered by old lease but not in new location lease: 7,200
 Janitorial costs through March 2022 (CPAT; Lottery) -5,900
 Utilities costs through March 2022 31,136

Other costs related to moving the divisions:	2019-21 Biennium expenses:			2021-23 Biennium expenses:			
	GF	SF	Total	GF	SF	FF	Total
Architect drawing fo new building	2,450	2,550	5,000				-
Wall bump outs	150,000		150,000				-
Cubicle & Conference Room Equipment	4,148	2,097	6,245				-
Banker Boxes - Total of 1,588			4,269				-
Monthly Storage	8,475	5,025	13,500				-
Unload Storage Trailers/Re-install Workstations			-	43,131	16,360		59,491
Privacy doors for cubicles			-	72,358			72,358
Moving office items, boxes, filing systems,shop	169		169	1,706	1,951		3,657
Tear Down/Set Up CWL, CHR, Archive Mobile Filing Room			-	10,335			10,335
Sound Masking and paging	17,064		17,064				-
Camera and state outlets	27,651	18,434	46,084	2,294	875		3,168
Carpet cleaning - old bldg			-	5,503	147		5,650
Signs for new building			-	464	550		1,015
Outside lighting to illuminate the signs			-	5,050	5,050		10,100
Rent at old locations because building wasn't ready on July 1				45,730	40,906	1,619	88,255
	209,956	28,105	<u>242,330</u>	186,571	65,839	1,619	<u>254,029</u>

Source: Attorney General's Office



Questioned Costs from Frontier Contracting, Page 1

Frontier Contracting LLC

PO Box 7459

Bismarck, ND 58507

*pd 5-21-21
cx 3168*

Invoice

Date	Invoice #
5/20/2021	4398

Bill To
1720 Burlington Drive Bismarck, ND 58504

Service Date	Item	Unit Number	Description	Quantity	Rate	Amount
5/7/2021	Labor		Men's bathroom toilet not running; plunged toilet and reset sensor		\$5.00	\$5.00
<div data-bbox="284 1144 722 1585"> <p>Lease states that building maintenance related services are a landlord responsibility</p> </div>						
Total						\$55.00

Questioned Costs from Frontier Contracting, Page 2

Frontier Contracting LLC

PO Box 7459
Bismarck, ND 58507

Invoice

Date	Invoice #
6/25/2021	4559

*pd 6-25-21
ck 3220*

Bill To
Stealth Properties 1720 Burlington Drive Bismarck, ND 58504

Service Date	Item	Unit Number	Description	Quantity	Rate	Amount
6/24/2021	Cleaning and ...		Bathroom rehab		42,000.00	42,000.00
						
Total						\$42,000.00

Questioned Costs from Frontier Contracting, Page 3

Frontier Contracting LLC

PO Box 7459

Bismarck, ND 58507

*pd 8-20-21
ck 3294*

Invoice

Date	Invoice #
8/19/2021	4670

Bill To
1720 Burlington Drive Bismarck, ND 58504

Service Date	Item	Unit Number	Description	Quantity	Rate	Amount
1/1/2021	Labor		Demo labor and maintenance		0.00	0.00
	Labor		June 2020	27	50.00	1,350.00
	Supplies		Dump trailer/skid	9	100.00	900.00
	Labor		July 2020	57	50.00	2,850.00
	Supplies		Dump trailer/skid	2	100.00	200.00
	Labor		August 2020	105	50.00	5,250.00
	Supplies		Dump trailer/skid	3	100.00	300.00
	Labor		September 2020	80	50.00	4,000.00
	Supplies		Dump trailer/skid	1	100.00	100.00
	Labor		October 2020	40	50.00	2,000.00
	Labor		November 2020	50	50.00	2,500.00
	Supplies		Skid steer	4	75.00	300.00
	Labor		December 2020	55	50.00	2,750.00
	Supplies		Skid steer	14	75.00	1,050.00
	Labor		January 2021	45	50.00	2,250.00
	Supplies		Dump trailer/skid	7	100.00	700.00
					Total	\$26,500.00

Billing for services
that occurred more
than a year ago

Questioned Costs from Frontier Contracting, Page 4

Frontier Contracting LLC
PO Box 7459
Bismarck, ND 58507

*pd 9-29-21
ck 3358*

Invoice

Date	Invoice #
9/29/2021	4872

Bill To
1720 Burlington Drive Bismarck, ND 58504



Service Date	Item	Unit Number	Description	Quantity	Rate	Amount
4/1/2021	Labor		Demo labor and maintenance			
	Labor		April 2021			
	Supplies		Skid steer	7	75.00	525.00
	Supplies		Dump trailer	7	100.00	700.00
	Labor		Demo labor	22	50.00	1,100.00
	Supplies		Flooring: LVT, Ardex, self-leveler, adhesive, cove base		1,500.00	1,500.00
	Labor		Prep and installation of LVT and cove base		1,350.00	1,350.00
					Total	\$5,175.00

Questioned Costs from Frontier Contracting, Page 5

Frontier Contracting LLC

PO Box 7459


Bismarck, ND 58507

*pd 4-26-21
ck 3/32*

Invoice

Date	Invoice #
4/26/2021	4351

Bill To
1720 Burlington Drive Bismarck, ND 58504

Service Date	Item	Unit Number	Description	Quantity	Rate	Amount
3/10/2021	Labor		Dump trailer and labor for disposal		1,285.00	1,285.00
4/26/2021	Supplies		Drywall supplies, paint, tape, & texture		34,700.00	34,700.00
2/10/2021	Supplies		Bulbs		250.00	250.00
4/26/2021	Supplies		Carpet and sundries		37,000.00	37,000.00
<div style="text-align: center;">  <p>Service and materials already provided by another subcontractor</p> </div>						
Total						\$73,235.00

Example of what a typical invoice looks like

Type	Quantity	Product Description Labor Description	Color / Item Number Room	Sell	Total
Carpet					
Materials	31564.26SF	CEO II-QB382 Carpet Tile	Scholar/883	\$2.39	\$75,438.58
Notes	95.94sf/box 329 boxes				

Information	Total
Labor	\$0.00
Materials	\$75,438.58
Contract Total	\$75,438.58
Sales Tax 45-0384635	\$5,280.70
Grand Total	\$80,719.28
Payments	\$80,719.28
Balance	

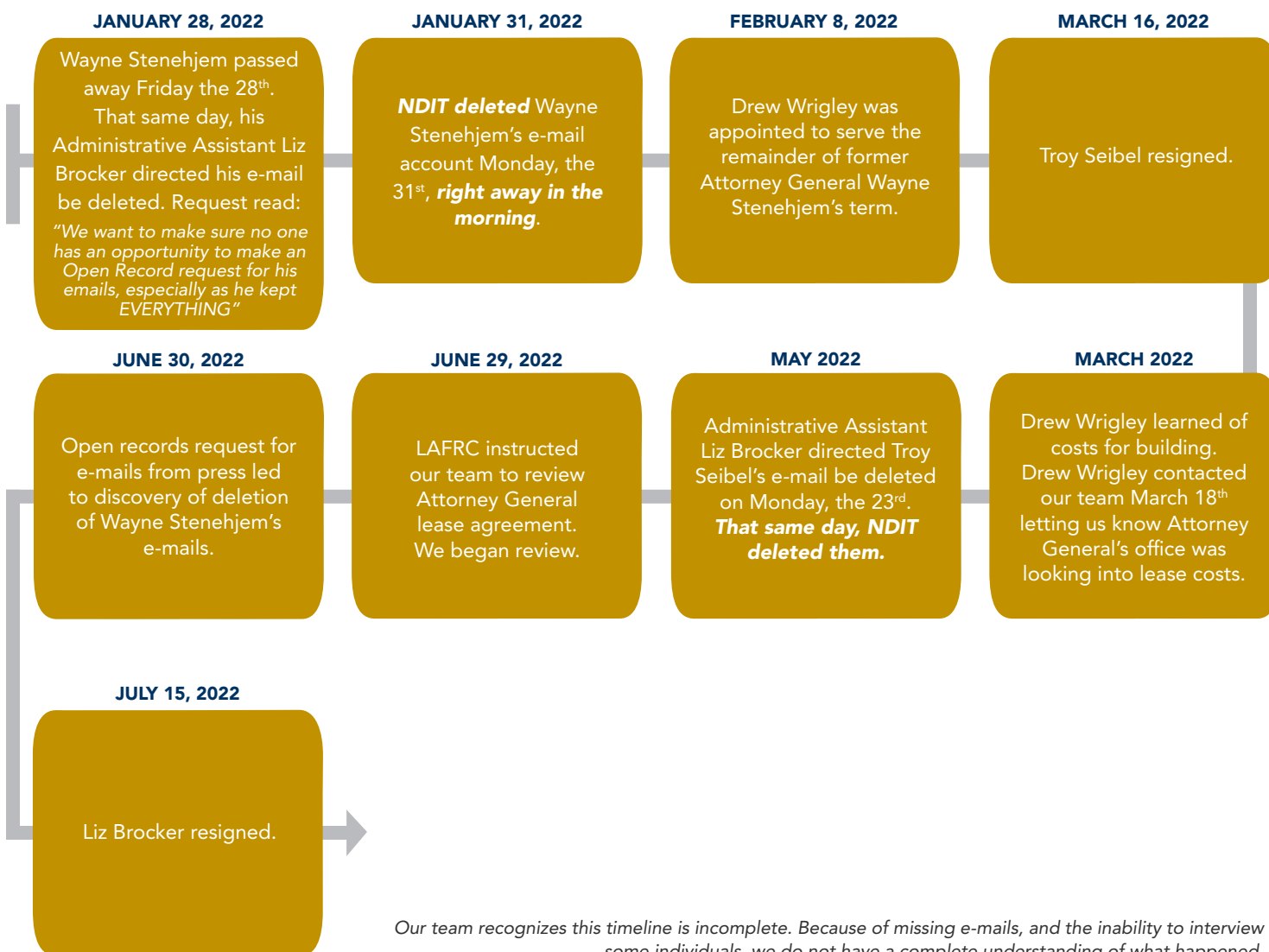
Special Order Carton Items Will Be Figured With A 5%-8% Industry Standard Waste Factor. These Items Are NON-REFUNDABLE.
A 1 1/2% MONTHLY FINANCE CHARGE WILL APPLY TO ANY BALANCE OVER 30 DAYS.
All Labor is subcontracted out.
BALANCE DUE UPON DELIVERY OR INSTALLATION

Buyer _____ Date _____

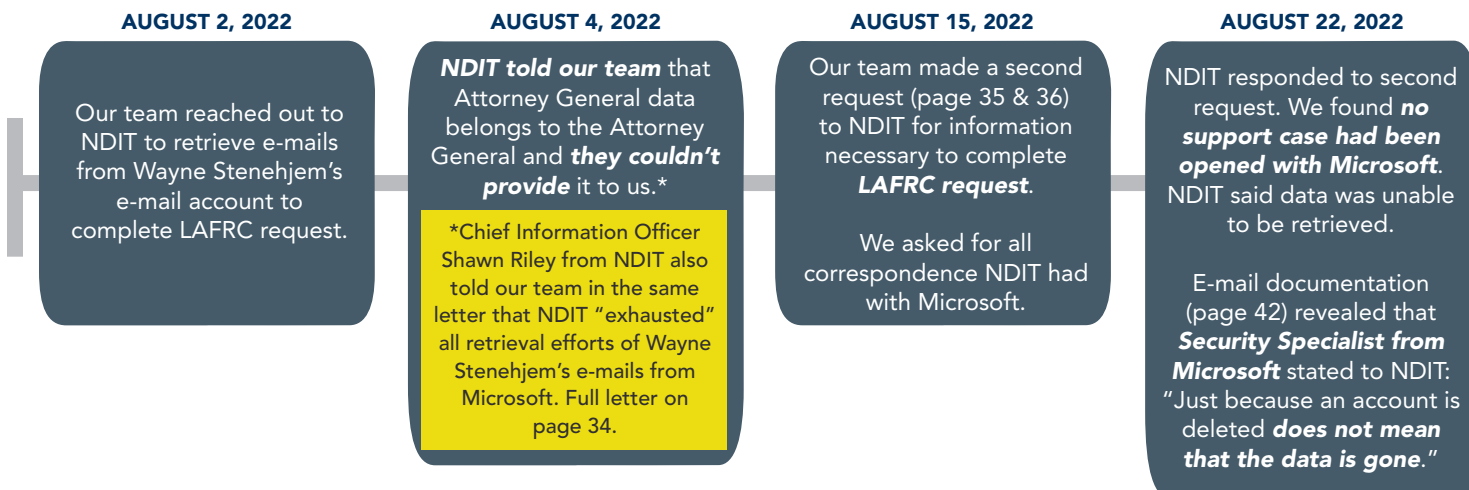
Seller _____ Date _____

Details are included,
in this example. This
helps verify that
information provided
is correct.

Timeline - Attorney General's Office



Timeline - NDIT





Additional Details

OVERVIEW

On Friday, January 28th, Wayne Stenehjem passed away. That same day, his Administrative Assistant Liz Brocker directed his e-mail be deleted. On Monday, January 31st, the e-mail account was deleted by North Dakota Information Technology (NDIT).

In February, Drew Wrigley was appointed to serve the remainder of the term of the late Wayne Stenehjem. On March 18th, Drew Wrigley contacted Auditor Gallion, letting him know the Attorney General's Office was investigating their current lease situation. Specific details were not provided on the lease. There were no discussions on deleted e-mails. Auditor Gallion offered assistance to the Attorney General's staff to review financials or lease documents. Our team was not asked for assistance until the Legislative Audit and Fiscal Review Committee (LAFRC) request on June 29th. In June, Drew Wrigley told lawmakers that prior to him coming into office, \$1.74 million in unanticipated costs for a building on Burlington Drive were uncovered by his office.

In June, an open records request from the media was sent to the Attorney General's Office for e-mail records from Wayne Stenehjem's account. The request was to find out more information about the Burlington Drive building and remodel costs associated with that building. It was discovered that Wayne Stenehjem's e-mails had been deleted.

LAFRC met at the end of June and discussed the costs associated with the building at Burlington Drive. LAFRC instructed our team to review the lease and report back in September at the next LAFRC meeting. Our team began the review immediately, and met with Duane Schell from NDIT to discuss the importance of obtaining e-mails necessary to complete the review.

On August 2nd, our team requested Wayne Stenehjem's e-mails (page 33) from North Dakota Information Technology (NDIT) so we could follow LAFRC's motion of instructing our team to review the lease at Burlington Drive. NDIT told our team that they must "protect the integrity and security of the data" and that NDIT was not able to provide those e-mails because they belonged to the Attorney General. Chief Information Officer Shawn Riley from NDIT told our team in the same letter (page 34) that they "exhausted" all retrieval efforts of Wayne Stenehjem's e-mails from Microsoft.

On August 15th, we sent NDIT a second request (pages 35 and 36) for the information. In the second response from NDIT (pages 36-39) our team found out that no support ticket with Microsoft was ever opened to retrieve e-mails.

Our team requested all records of communication (in a second request letter) that NDIT had with Microsoft and discovered the following: An account representative from Microsoft sent NDIT (e-mails starting on page 40) generic help articles about mailboxes. NDIT responded back to account representative asking for Microsoft to write a formal letter saying Wayne Stenehjem's account was no longer available.

A Security & Compliance Specialist from Microsoft (page 42) responded back to NDIT saying, "Just because an account is deleted does not mean that the data is gone."

The Missing E-Mails from Former Attorney General Wayne Stenehjem

Correspondence with the North Dakota Information Technology Department



STATE AUDITOR
Joshua C. Gallion



Office of the
State Auditor

PHONE
(701) 328-2241

FAX
(701) 328-2345

NORTH DAKOTA OFFICE OF THE STATE AUDITOR

State Capitol
600 E. Boulevard Ave. Dept. 117
Bismarck, ND 58505

www.nd.gov/auditor

ndsao@nd.gov

August 2, 2022

Shawn Riley, Chief Information Officer
North Dakota Information Technology Department
4201 Normandy St.
Bismarck, ND 58503

Attorney General Drew Wrigley
North Dakota Attorney General's Office
600 E. Boulevard Ave., Dept. 125
Bismarck, ND 58505

Dear Mr. Riley and Attorney General Wrigley:

During the June 29, 2022, meeting of the Legislative Audit and Fiscal Review Committee, the State Auditor's Office was asked to look into the \$1.8 million cost over-run on a lease agreement by the Attorney General's Office.

We're attempting to collect as many records as possible related to this lease agreement which includes both Attorney General Wayne Stenehjem and Deputy Attorney General Troy Seibel's email accounts. We have been told these email records have been deleted, however please consider this our formal request for all emails in Wayne Stenehjem and Troy Seibel's email accounts related to the lease agreement mentioned above. Please make every attempt to recover those emails and if you cannot supply them to our office, please explain in detail why you cannot. We would request this response in writing by noon on Thursday, August 4th.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'J. Gallion'.

Joshua C. Gallion
North Dakota State Auditor

CC: Greg Hoffman, Deputy Chief Information Officer
Claire Ness, Deputy Attorney General

NDIT response to first letter from our request



August 4, 2022

State Auditor Joshua Gallion
North Dakota State Auditor's Office
600 E Boulevard Ave. Dept. 117
Bismarck, ND 58505

Attorney General Drew Wrigley
North Dakota Attorney General's Office
600 E Boulevard Ave., Dept 125
Bismarck, ND 58505

Dear State Auditor Gallion and Attorney General Wrigley:

The North Dakota Information Technology Department (NDIT) takes the responsibility of being the custodian of State Agency and any other customer's data extremely seriously. As the custodian of that data, we also adhere to extremely strong standards to protect the integrity and security of the data. As such, we are unable to provide the State Auditor's Office directly with any data whereby the rightful owner of said data belongs to the Attorney General Office.

We have however responded to multiple requests by the Attorney General's Office for requests to recover the email in the mailboxes of Wayne Stenehjem and Troy Seibel and have made every effort to respond to those requests. At this time, based on actions taken previously I can attest that we have exhausted all our efforts to retrieve the email in those two mailboxes and have determined it is no longer retrievable.

I will close that we stand ready to assist in the event the Attorney General's Office or the State Auditor's Office would desire any further assistance in this matter.

Best Regards,

A handwritten signature in black ink, appearing to read "Shawn Riley".

Shawn Riley

STATE AUDITOR
Joshua C. Gallion



Office of the
State Auditor

PHONE
701-328-2241

FAX
701-328-2345

www.nd.gov/auditor

STATE OF NORTH DAKOTA
OFFICE OF THE STATE AUDITOR
STATE CAPITOL
600 E. Boulevard Ave. Dept. 117
Bismarck, North Dakota, 58505

ndsao@nd.gov

August 15, 2022

Mr. Shawn Riley
North Dakota Information Technology Department
4201 Normandy St.
Bismarck, ND
58503

Re: Auditor's Office in Joint Investigation of Attorney General's Office, Documents Required.

Dear Mr. Riley:

On June 29, 2022, the Legislative Audit and Fiscal Review Committee requested that our office conduct an extensive review of a lease agreement from the Attorney General's office and the cost overruns associated with that lease agreement.

In your last response to our request, you stated that you are unable to retrieve the e-mail records from Wayne Stenehjem and Troy Seibel. We need to know answers to the following:

- Is there backup storage (such as tape, disk, etc.) that includes e-mail? If so, where are those located?
- How many e-mail accounts do Wayne Stenehjem and Troy Seibel have?
- Do Wayne Stenehjem and Troy Seibel have additional document repositories? (Including but not limited to OneDrive, SharePoint, and network attached storage.)
- Has there been any attempt to obtain a backup or recovery file from Microsoft? Please provide all records of communication that NDIT has had with Microsoft regarding any efforts to recover information.
- Has a support case or support ticket been opened with Microsoft?

Provided
e-mails from
NDIT start on
page 40

Copy of second letter sent to NDIT, page 2

STATE AUDITOR
Joshua C. Gallion



Office of the
State Auditor

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600 E. Boulevard Ave. Dept. 117
Bismarck, North Dakota, 58505

ndsao@nd.gov

- Is there a policy regarding the use of a personal computer for state business, instead of an NDIT issued computer?
- Since the ticket submitted from AGIT to your agency requested deletion of Wayne Stenehjem's e-mail account, was just the e-mail account deleted? Was his active directory account deleted?
- What day and time were Wayne Stenehjem's and Troy Seibel's e-mail accounts deleted?
- From one week prior to the deletion of Wayne Stenehjem's and Troy Seibel's account(s), to today, attach a copy of the audit logs for his mailbox and accounts that include information on who made changes or deletions.
- We understand the approval process for the deletion of information from the Attorney General's Office. Is there an NDIT deletion request approval process for high-ranking officials? If so, what is that process?
- Who at NDIT approved the deletion of Wayne Stenehjem's and Troy Seibel's e-mails?
- Who at NDIT has determined that recovery efforts of e-mails are not possible?

Your responses are required by 9 a.m. on Monday, August 22.

Thank you,



Joshua C. Gallion

North Dakota State Auditor



August 22, 2022

State Auditor Joshua Gallion
North Dakota State Auditor's Office
600 E Boulevard Ave. Dept. 117
Bismarck, ND 58505

Dear State Auditor Gallion:

In response to your letter dated August 15, 2022, we have included below each of your questions along with our response. If there is a need for more clarification or you may have additional questions, we are more than happy to assist.

- Is there backup storage (such as tape, disk etc.) that includes e-mail? If so, where are those located?
 - In our response to Ms. Ludwig on Aug 4, 2022, we attempted to answer a question similar in nature. The email solution provide by NDIT for the relevant accounts is a service provided by Microsoft entitle Exchange Online with the backups and business continuity service included as part of the service. As such, NDIT does not provide a backup service in addition to what is included in the service offering. The details of how that service is configured and functions is included in our prior response.
- How many e-mail accounts do Wayne Stenehjen and Troy Seibel have?
 - The Attorney General's Office is not a unified agency and NDIT is not the sole provider of technology services. As such, we are unable to attest if email accounts existed beyond the services NDIT provides. We can attest that both Wayne Stenehjen and Troy Seibel only had one email account each provided by NDIT.
- Do Wayne Stenehjen and Troy Seibel have additional document repositories? (Including but not limited to OneDrive, Sharepoint, and network attached storage.)
 - The Attorney General's Office is not a unified agency and NDIT is not the sole provider of technology services. As such, we are unable to attest to document repositories beyond the services NDIT provides. We can attest that that the Attorney General Office are consumers of Filenet, Microsoft Teams, Microsoft Sharepoint and Microsoft OneDrive.

NDIT response to second letter from our request, page 2



- Has there been any attempt to obtain a backup or recovery from Microsoft? Please provide all records of communication that NDIT has had with Microsoft regarding any efforts to recover information.
 - NDIT has been in conversation with Microsoft to both ensure our understanding of the service offering as well as to seek out if there were any additional options to recover the email accounts in question. Those conversations and efforts have confirmed our understand of the service offering and we remain confident the email accounts are unrecoverable. We have enclosed as attachments the email correspondence that has resulted from those conversations.
- Has a support case or support ticket been opened with Microsoft?
 - A formal support ticket has not been opened due to our understanding of the service offering combined with the conversation articulated in the prior question.
- Is there a policy regarding the use of personal computer for state business, instead of an NDIT issued computer?
 - NDIT does not provide desktop as a service to the Attorney General's Office and the Attorney General's office is not required to acquire said service.

The policy entitle "Electronic Communications Devices" is an OMB policy that is relevant in this case and can be located via the following web address:

<https://www.omb.nd.gov/team-nd-careers/state-hr-policies>

- Since the ticket submitted from AGIT to your agency requested deletion of Wayne Stenehjem's email account, was just the e-mail account deleted? Was his active directory account deleted?
 - The request to delete Wayne Stenehjem's email account did not contain any instruction to remove any other content or accounts.

The best practice is to disable the active directory account versus deletion. Wayne Stenehjem's account is disabled.

- What day and time were Wayne Stenehjem's and Troy Seibel's e-mail accounts deleted?
 - Wayne Stenehjem's account was deleted on 01/31/2022 at 8:52:13 am
 - Troy Seibel's account was deleted on 5/23/2022 at 12:27:16 pm
- From one week prior to the deletion of Wayne Stenehjem's and Troy Seibel's account(s). to today, attach a copy of the audit logs for his mailbox and accounts that include information on who made changes or deletions.
 - See attached





- We understand the approval process for the deletion of information from the Attorney General's Office. Is there an NDIT deletion request approval process for high-ranking officials? If so, what is the process?
 - There is not process specific to high-ranking officials. The process to formally request a change to any service provided by NDIT including email is designed to ensure appropriate agency level approvals are acquired to make the change. If the request is made through the formal process the request is automatically routed to the appropriate team for the change to be executed.
- Who at NDIT approved the deletion of Wayne Stenehjem's and Troy Seibel's e-mails?
 - The process for which agencies request any change to service offerings including email administration is designed to ensure appropriate agency authorization is acquired to make a change. No further approval is required within NDIT if a request is filed via the formal path.
- Who at NDIT has determined that recovery efforts of e-mails are not possible?
 - Duane M Schell

Best Regards,

A handwritten signature in black ink, appearing to read "Shawn Riley". The signature is stylized with a large, looping "S" and a distinct "R".

Shawn Riley

Correspondence from Microsoft to NDIT

From: Chelsea Bode <chbode@microsoft.com>
Sent: Monday, July 25, 2022 10:16 AM
To: Schell, Duane M. <dschell@nd.gov>
Cc: Jim Gourley <Jim.Gourley@microsoft.com>; chbode <chbode@microsoft.com>
Subject: MSFT Mailbox Retention/Compliance Policies

E-mail chain provided by NDIT starts with an account representative from Microsoft sending NDIT general articles about how mailboxes work

***** CAUTION: This email contains information that may be confidential. Do not click links

Good morning Duane,

I hope you had a great weekend. Wanted to provide what was sent to me regarding email retention.

Simple version:

- Deleted mailboxes/users are kept for 30 days by default
- Can configure capabilities - such as Retention Policies - to retain data for as long as needed (aka inactive mailboxes)

If the AB needs actual documentation, you might send the following:

[Learn about inactive mailboxes - Microsoft Purview \(compliance\) | Microsoft Docs](#)

Learn about inactive mailboxes - Microsoft Purview (compliance)

Learn how to retain mailbox content for former employees by turning the mailbox into an inactive mailbox.

What are inactive mailboxes?

When an employee leaves your organization (or goes on an extended leave of absence), you can remove their Microsoft 365 account. The employee's mailbox data is retained for 30 days after the account is removed. During this period, you can still recover the mailbox data by undeleting the account. After 30 days, the data is permanently removed.

But if a hold is applied to the mailbox prior to deleting the Microsoft 365 account, the mailbox will be converted into an inactive mailbox. The following sections contain information about holds that can be applied with Microsoft 365 retention and eDiscovery holds.

[Learn about retention for Exchange - Microsoft Purview \(compliance\) | Microsoft Docs](#)

Learn about retention for Exchange - Microsoft Purview (compliance)

Learn how Microsoft 365 retention works for Exchange, using retention policies and retention labels to manage the automatic retention or deletion of data for your organization

When a user leaves the organization

If a user leaves your organization and the user's mailbox is included in a policy for retention, the mailbox becomes an inactive mailbox when the user's Microsoft 365 account is deleted. The contents of an inactive mailbox are still subject to any retention policy that was placed on the mailbox before it was made inactive, and the contents are available to an eDiscovery search. For more information, see [Inactive mailboxes in Exchange Online](#).

When the retention settings no longer apply because the data is permanently deleted or the retention period has expired, the Exchange admin can now [delete the inactive mailbox](#). In this scenario, the inactive mailbox isn't automatically deleted.

Please let us know if anything else is needed.

Thanks,

Chelsea

Chelsea Bode | Account Executive | SLG North Central | Cell 512-578-6848 | chbode@microsoft.com

Auditor's Office did request all records of communication that NDIT had with Microsoft regarding recovery efforts, this is everything received

Correspondence from Microsoft to NDIT

From: Schell, Duane M. dschell@nd.gov
Sent: Monday, July 25, 2022 3:08 PM
To: Chelsea Bode chbode@microsoft.com
Cc: Jim Gourley Jim.Gourley@microsoft.com; Chelsea Bode chbode@microsoft.com
Subject: [EXTERNAL] RE: MSFT Mailbox Retention/Compliance Policies

Any chance we can get someone to put this in a more formal document and even go so far as to say this particular account is not longer available? Presume this would be a fee for service but that's OK.

Duane

The first response back from NDIT to Microsoft is asking for a formal document saying Wayne Stenehjem's e-mail is unable to be retrieved

From: Chelsea Bode <chbode@microsoft.com>
Sent: Tuesday, July 26, 2022 3:25 PM
To: Schell, Duane M. <dschell@nd.gov>; Michael Anderson <Michael.Anderson@microsoft.com>; Jeff Larson <Jeffrey.Larson@microsoft.com>; Manny Cantu <macantu@microsoft.com>
Cc: Jim Gourley <Jim.Gourley@microsoft.com>; Chelsea Bode <chbode@microsoft.com>
Subject: RE: MSFT Mailbox Retention/Compliance Policies

Hey @Michael Anderson, @Manny Cantu or @Jeff Larson,

Is there anyone we can get from the engineering team to respond saying that once an account has been deleted/deactivated it is no longer available? ND AG's email was decommissioned back at the end of January, beginning of February, and there is concern that it could be reactivated. I provided the documentation Michael sent me below, but do you know if there is anything formal we could get from engineering?

Thanks,

Chelsea

Chelsea Bode | Account Executive | SLG North Central | Cell 512-578-6848 | chbode@microsoft.com

Response back from Microsoft asks for input from engineering team at Microsoft

Correspondence from Microsoft to NDIT

From: Michael Anderson <Michael.Anderson@microsoft.com>
Sent: Tuesday, July 26, 2022 4:24 PM
To: Chelsea Bode <chbode@microsoft.com>; Schell, Duane M. <dschell@nd.gov>; Jeff Larson <Jeffrey.Larson@microsoft.com>; Manny Cantu <macantu@microsoft.com>
Cc: Jim Gourley <Jim.Gourley@microsoft.com>
Subject: RE: MSFT Mailbox Retention/Compliance Policies

Security & Compliance Specialist from Microsoft responds to NDIT

I'll defer to @Jeff Larson on anything "official" – as it IMHO should come through the support side. (Looks like he just sent a note recommending creating a case to get an "official" answer back – which was sent just before I hit send on this message 😊).

That said – I want to make sure we are crystal clear on one point... Just because an **account is deleted does not mean that the data is gone**. If you need to ensure the accounts/mailboxes are completely removed, you'd want to dig a little deeper on your side to confirm.

If there was/is any sort of "retention" applied to that mail – then the data is preserved in the system. Most commonly, that would be a "retention policy" – often applied across the entire tenant, but could have been scoped with different rules for different agencies. That could also be the older Exchange based (specific to email) retention (if I recall – it was called Messaging Records Management – MRM for short), or a "legal hold" applied to the mailbox. It could also be the result of a "hold" applied to an eDiscovery case and/or a content search.

If *any* such hold exists – then the data is still being retained – and would still be available for searches/eDiscovery cases, etc. And per below, once the holds are removed, the data is by default retained in a "soft-delete" status for 183 days – unless the mailbox is "hard-deleted" and/or there is a "deletion policy" on the content itself.

Resources that might help:

- View a list of inactive mailboxes - you'd want to make sure non exist for the account(s) in question (if the intent is to ensure the mailbox has been fully deleted): [Create and manage inactive mailboxes - Microsoft Purview \(compliance\) | Microsoft Docs](#)
- If any inactive mailboxes exist that need to be removed: [Delete an inactive mailbox - Microsoft Purview \(compliance\) | Microsoft Docs](#)
 - Which as the article mentions, means you'll need to remove any holds from applying to the mailbox. The article walks through how to remove the various holds that *might* apply...
 - This article gives details on how to determine the types of holds that *are in effect*: [How to identify the hold on an Exchange Online mailbox - Microsoft Purview \(compliance\) | Microsoft Docs](#)
- It's also worth noting (from the "delete an inactive mailbox" link above):
 - **An inactive mailbox is a type of soft-deleted mailbox.** In Exchange Online, a soft-deleted mailbox is a mailbox that's been deleted but can be recovered within a specific retention period. For soft-deleted mailboxes that aren't on hold, the mailbox is recoverable within 30 days. An inactive mailbox (a mailbox on hold before it was deleted) will remain in a soft-deleted with hold state until the hold is removed. After the hold is removed from an inactive mailbox, the mailbox will no longer be in an inactive state. Instead it will become soft-deleted and remain in Exchange Online for 183 days from the day the hold was removed and recoverable during that time. After 183 days, a soft-deleted mailbox is marked for permanent deletion and can't be recovered.
 - **What happens after you remove the hold on an inactive mailbox?** The mailbox is treated like other soft-deleted mailboxes and is marked for permanent deletion after the 183-day soft-deleted mailbox retention period expires. This retention period starts on the date when the hold is removed from the inactive mailbox. The *InactiveMailboxRetireTime* property is set when the mailbox transitions from being inactive (soft-deleted on hold) to no longer being inactive (soft-deleted with no holds). At that point, the *InactiveMailboxRetireTime* property is set to the current date when the transition occurred. There is an assistant that runs (called the *MailboxLifeCycle* assistant) that looks for mailboxes that have the *InactiveMailboxRetireTime* property set. If "*InactiveMailboxRetireTime* + 183 days" is less than the current date, then it will purge the mailbox.
-
- [Delete or restore user mailboxes in Exchange Online | Microsoft Docs](#)
 - Per this link, and the one above, there is a distinction between a "soft-deleted" mailbox and a "hard-deleted" mailbox.
 - *Most* of that distinction is tied to the *user* also being deleted from Azure AD (but also the hold as noted above)
 - The link has information on how to validate the status/timing of a deleted mailbox
 - As well as how to "hard-delete" a mailbox (if you don't want to wait out the 183 soft-delete clock noted above)

Michael Anderson | Security & Compliance Specialist | State and Local Government
IM: michand@microsoft.com | michael.anderson@microsoft.com | (952) 837-4585
Schedule time on my calendar: [Personal Booking](#)

Correspondence from Microsoft to NDIT

From: Chelsea Bode <chbode@microsoft.com>

Sent: Wednesday, July 27, 2022 2:18 PM

To: Michael Anderson <Michael.Anderson@microsoft.com>; Schell, Duane M. <dschell@nd.gov>; Jeff Larson <Jeffrey.Larson@microsoft.com>; Manny Cantu <macantu@microsoft.com>; 'Greg Hoffman' <gahoffman@nd.gov>

Cc: Jim Gourley <Jim.Gourley@microsoft.com>; Chelsea Bode <chbode@microsoft.com>

Subject: RE: MSFT Mailbox Retention/Compliance Policies

Looping in @'Greg Hoffman', as Duane is out this week. @'Greg Hoffman', in order to get formal documentation, they're suggesting opening a support case so you can get an official response from engineering. (Let @Jeff Larson know if you/someone needs assistance in doing so.)

Also, please see below.

Feel free to call or reach out with any questions you might have.

Thanks!

Chelsea

Chelsea Bode | Account Executive | SLG North Central | Cell 512-578-6848 | chbode@microsoft.com

From: Chelsea Bode <chbode@microsoft.com>

Sent: Thursday, July 28, 2022 9:04 AM

To: Michael Anderson <Michael.Anderson@microsoft.com>; Schell, Duane M. <dschell@nd.gov>; Jeff Larson <Jeffrey.Larson@microsoft.com>; Manny Cantu <macantu@microsoft.com>; Hoffman, Greg A. <gahoffman@nd.gov>

Cc: Jim Gourley <Jim.Gourley@microsoft.com>; chbode <chbode@microsoft.com>

Subject: RE: MSFT Mailbox Retention/Compliance Policies

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Good morning Duane and Greg,

Just wanted to let you know I have reached out to my SGA (State Gov Affairs) rep, Jonathan Noble asking if there is anything our legal team can provide that is, as Duane put it "more polished," than a case that Unified can provide. I will follow up with Jonathan later today, as I believe he was traveling this morning.

Thanks,

Chelsea

Chelsea Bode | Account Executive | SLG North Central | Cell 512-578-6848 | chbode@microsoft.com

From: Hoffman, Greg A. <gahoffman@nd.gov>

Sent: Thursday, July 28, 2022 9:32 AM

To: Chelsea Bode <chbode@microsoft.com>; Michael Anderson <Michael.Anderson@microsoft.com>; Schell, Duane M. <dschell@nd.gov>; Jeff Larson <Jeffrey.Larson@microsoft.com>; Manny Cantu <macantu@microsoft.com>

Cc: Jim Gourley <Jim.Gourley@microsoft.com>; Chelsea Bode <chbode@microsoft.com>

Subject: [EXTERNAL] RE: MSFT Mailbox Retention/Compliance Policies

Thanks, Chelsea, we are also asking Planet what an engagement might look like and cost to get an "opinion" from them. Not sure what direction we should go here, but I am very aware of the pressures do have something.

Greg Hoffman

Information Technology Dept.

From: chbode <chbode@microsoft.com>

Sent: Friday, July 29, 2022 8:30 AM

To: Hoffman, Greg A. <gahoffman@nd.gov>; Michael Anderson <Michael.Anderson@microsoft.com>; Schell, Duane M. <dschell@nd.gov>; Jeff Larson <Jeffrey.Larson@microsoft.com>; Manny Cantu <macantu@microsoft.com>

Cc: Jim Gourley <Jim.Gourley@microsoft.com>; chbode <chbode@microsoft.com>; Jonathan Noble (CELA) <jnoble@microsoft.com>

Subject: RE: MSFT Mailbox Retention/Compliance Policies

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Good morning Greg,

Wanted to see if you heard anything from Steve at Planet. Is this something they can do? Jonathan, SGA (cc'd here) is still working on tracking down an answer, sorry it's taken so long.

Chelsea

Chelsea Bode | Account Executive | SLG North Central | Cell 512-578-6848 | chbode@microsoft.com





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JOSHUA C. GALLION


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