

## OFFICE OF THE CHIEF COMPLIANCE OFFICER

The Office of the Chief Compliance Officer was created as an autonomous entity within the Michigan Strategic Fund (MSF) by the legislature in 2005. Its primary function is to protect the state's assets consistent with the requirements of the Michigan Strategic Fund Act by assisting the MSF board with the creation, implementation, monitoring and enforcement of policies and procedures to prevent or detect illegal, unethical, or improper conduct of MSF board members, or employees or agents of the MSF fund board, and correct such violations promptly.

### ORGANIZATIONAL STRUCTURE

The Office of the Chief Compliance Officer was created on November 21, 2005, by 2005 Public Act 225. The chief compliance officer is the executive head of the office but is appointed by and reports directly to the State Administrative Board. The State Administrative Board has general supervisory control over the administrative activities of all state departments and agencies. The State Administrative Board members are the governor, lieutenant governor, secretary of state, attorney general, state treasurer, superintendent of public instruction and the director of the department of transportation.

### CHIEF COMPLIANCE OFFICER

Kevin L. Francart was appointed as the chief compliance officer on November 10, 2013. The Office of the Chief Compliance Officer is responsible for assisting the Michigan Strategic Fund board of directors and its employees and agents with compliance issues arising under the Michigan Strategic Fund Act, including compliance with internal policies and procedures and applicable laws.

Prior to being appointed as the chief compliance officer, Mr. Francart served, between 2011 and his appointment as the chief compliance officer, as the deputy director and general counsel for the state of Michigan's Land Bank Fast Track Authority. In that capacity, he advised the Land Bank's executive director and its board of directors on legal matters and drafted and implemented agency policies in compliance with state statutory requirements. Before joining the Land Bank Fast Track Authority, Mr. Francart served, between 2003 and 2011, as an assistant attorney general with the Michigan Department of Attorney General. In that capacity, he provided legal advice to various state departments and employees, including statutory and rule compliance and litigated matters on behalf of the state.

Mr. Francart is a cum laude graduate of the Thomas M. Cooley Law School, from which he received his Juris Doctor degree. Mr. Francart is a former U.S. Army military police officer and has earned the designation as a certified compliance and ethics professional.

### REPORTS

The chief compliance officer reports quarterly to the MSF Board and the State Administrative Board regarding compliance with internal policies and procedures and with applicable state and federal law. The CCO reports annually to the governor and Legislature evaluating compliance with internal policies and procedures and with applicable state and federal law, explaining any compliance matters that arose during the previous year, and suggests revisions to agency policies and procedures.

### ANNUAL REPORTS

#### 2006–2007 ANNUAL REPORT

The 2006–2007 annual report of the Office of the Chief Compliance Officer can be read [here](#).

#### 2007–2008 ANNUAL REPORT

The 2007–2008 annual report of the Office of the Chief Compliance Officer can be read [here](#).

#### 2008–2009 ANNUAL REPORT

The 2008–2009 annual report of the Office of the Chief Compliance Officer can be read [here](#).

#### 2009–2010 ANNUAL REPORT

The 2009–2010 annual report of the Office of the Chief Compliance Officer can be read [here](#).

#### 2010–2011 ANNUAL REPORT

No report available.

#### 2011–2012 ANNUAL REPORT

No report available.

#### 2012–2013 ANNUAL REPORT

No report available.

#### 2013–2014 ANNUAL REPORT

The fiscal year 2014 annual report of the Office of the Chief Compliance Officer can be read [here](#).

#### 2014–2015 ANNUAL REPORT

The fiscal year 2014 annual report of the Office of the Chief Compliance Officer can be read [here](#).

## MISSION STATEMENT

The mission of the Office of the Chief Compliance Officer is to protect the state's assets consistent with the requirements of the Michigan Strategic Fund Act by assisting the MSF board with the creation, implementation, monitoring, and enforcement of policies and procedures to prevent or detect illegal, unethical, or improper conduct of MSF board members, employees, or agents of the MSF fund board, and correct such violations promptly. This includes making recommendations to the MSF board and employees of the MSF board regarding the appropriate evaluation, investigation, and resolution of issues and concerns regarding compliance with internal policies and procedures and with applicable state and federal law.

## RESPONSIBILITIES

The Office of the Chief Compliance Officer has the responsibilities set forth in the Michigan Strategic Fund Act. In particular, the chief compliance officer:

- Assists the MSF board with the creation, implementation, monitoring, and enforcement of policies and procedures to prevent, detect, and correct, illegal, unethical, or improper conduct on the part of its board members, employees, or agents in carrying out their duties under the act.
- Assists employees and agents of the MSF board to ensure that they are in compliance with internal policies and procedures and with applicable state and federal law.
- \* Makes recommendations to the MSF board and employees of the MSF board regarding the appropriate evaluation, investigation, and resolution of issues and concerns regarding compliance with internal policies and procedures and with applicable state and federal law.
- Assist in the establishment of policies and procedures to conduct background checks on each qualified business applying for a grant, loan, or other economic assistance under the Michigan Business Development program pursuant to MCL 125.2088r.

- Reports quarterly to the MSF board and the State Administrative Board regarding compliance with internal policies and procedures and with applicable state and federal law.
- Prepares a written annual report to the governor and Legislature that evaluates compliance with internal policies and procedures and with applicable state and federal law, explains any compliance matters that arose during the previous year, and suggests revisions to agency policies and procedures.
- To the extent necessary to carry out responsibilities under Chapter 8A, MCL 125.2088—MCL 125.2088r, contacts persons receiving awards, investments, grants and loans under the act.
- Determines if a person appointed or designated to certain review committees reviewing proposals and applications have a conflict of interest with any potential respondents or applicants.
- Approves certain transactions under the Michigan film and digital media investment loan program pursuant to MCL 125.2088d.

## LINKS TO RELATED LEGAL STATUTES

Michigan Strategic Fund Act: *MCL 125.2001 et seq*

Conflict of Interest: *MCL 15.301 et seq*

Contracts of Public Servants with Public Entities:  
*MCL 15.321 et seq*

Standards of Conduct for Public Officers and Employees:  
*MCL 15.341 et seq*

Lobbyists, Lobbying Agents, and Lobbying Activities Act:  
*MCL 4.411 et seq*