

MONTANA
Department of Commerce

Anthony J. Preite, Director

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May 19, 2010

Renee Christiansen, President
Custer Country
P.O. Box 21905
Billings, MT 59104

Re: *Notice of Termination of Contract No. 10-52-0002*

Dear Ms. Christiansen:

The Montana Department of Commerce entered into the above-referenced Agreement with Custer Country on July 21, 2009. In October 2009 the Department received a letter from Edward Henderson alleging that Custer Country failed to comply with state procurement and contracting laws. Further allegations were made about conflicts of interest and failure to comply with open meeting laws, as required by the terms of the Contract and the applicable state statutes and ARMs pertaining to the use of Lodging Facility Use Tax revenue.

In a letter dated October 28, 2009, the Department requested information from Custer Country relating to the FY 2010 Custer Country Vacation Guide, including all notes, minutes, email, correspondence, RFP documentation, etc. Subsequently, Custer Country retained legal counsel and the Department was unable to obtain the requested information in a timely and satisfactory matter despite repeated attempts by my staff. Additionally, the Department's concerns about possible non-compliance with applicable open meeting laws and conflicts of interest were not adequately addressed.


Therefore, in March of 2010 the Department requested that the Department of Justice, Agency Legal Services conduct an independent third party investigation of the allegations surrounding the procurement and contracting practices of Custer Country. On May 19, 2010, the Department received Assistant Attorney General Katherine Orr's findings of unlawful actions by Custer Country regarding procurement, conflict of interest, open meeting law, record keeping, and Custer Country Board operations. A copy of this report is attached hereto.

Based upon these findings, the Department has determined that Custer Country has breached its duties under Contract 10-52-0002, and is in default. Pursuant to Section 21, TERMINATION, CANCELLATION, DEFAULT, of the Agreement, Custer Country is hereby notified of its failure to comply with the terms of the Contract and the applicable state statutes and ARMs pertaining to the use of Lodging Facility Use Tax revenue.

BRIAN SCHWEITZER, GOVERNOR

Due to the egregious and continuing nature of the violations, notice is hereby given that the Department is terminating its contract with Custer Country effective immediately and will not be distributing any further funds to Custer Country.

Sincerely,


for Anthony J. Preite

Anthony J. Preite
Director, Montana Department of Commerce

Encl.

cc: Viv Hamill, Chief of Staff Governor's office
Stan Ozark, TAC Chair