

**City of East Grand Forks  
Complaint Form**

Describe your complaint (include time of day incident occurred and date of occurrence):

The City of E.G.F. / E.D.H.A. / H.U.D. interfered with my employment and shredded a federal document. I first learned of it on May 1, 2014. Full summary is provided in attached letter to FBI.

Timothy Charles Holmstedt  
05/30/14

Address/Area of Complaint: \_\_\_\_\_

Name: Timothy Charles Holmstedt Address: 320 17<sup>th</sup> Street N.W. Unit 17 E.G.F. MN  
56721

Contact Phone Number: 218.773.1299 or 218.230.1310 (cell)

Date of Complaint: 5/30/14 Reported to: David Morphy

\*\*\*\*\*

Action Taken: \_\_\_\_\_

Verification: \_\_\_\_\_ Date: \_\_\_\_\_

Follow-up: \_\_\_\_\_ Date: \_\_\_\_\_

Additional Action: \_\_\_\_\_

\*\*\*\*\*

Recorded By: \_\_\_\_\_

\*\* All supporting documentation attached.

5/1/14 Email to U.S. Dept. of Commerce  
5/4/14 Email to FBI

## Timothy Charles Holmseth

---

**From:** Timothy Charles Holmseth [tholmseth@wiktel.com]  
**Sent:** Thursday, May 1, 2014 11:24 AM  
**To:** 'Joseph A Lubin - NOAA Federal'  
**Cc:** 'knelson@egf.mn'  
**Subject:** Security / Verification Form

Joseph,

You recently ran a security clearance check on me.

I provided you the name Kim Nelson to verify my address. She is an employee of HUD. I spoke with her this morning and she said she received the letter from you while she was out on medical leave. It never was returned to you.

She will verify whatever you need.

I am copying her on this email.

Thank you,  
Timothy Holmseth

Timothy Charles Holmseth  
320 17th Street N.W.  
Unit # 17  
East Grand Forks, MN 56721  
218.773.1299  
218.230.1310 (cell)

**NOTICE:** This email and any files transmitted with it are confidential and intended solely for the use of the individual or entity to whom they are addressed. If you have received this email in error please notify the system manager. This message contains confidential information and is intended only for the individual named. If you are not the named addressee you should not disseminate, distribute or copy this e-mail. Please notify the sender immediately by e-mail if you have received this e-mail by mistake and delete this e-mail from your system. If you are not the intended recipient you are notified that disclosing, copying, distributing or taking any action in reliance on the contents of this information is strictly prohibited.

5/30/2014

**Timothy Charles Holmseth**

---

**From:** Timothy Charles Holmseth [tholmseth@wiktel.com]  
**Sent:** Sunday, May 4, 2014 8:42 PM  
**To:** 'minneapolis@ic.fbi.gov'  
**Subject:** Fraud / Embezzlement

Special Agent  
Minneapolis FBI

May 4, 2014

Special Agent,

Please accept the following information.

**INTRODUCTION**

I believe I have information that may be of use to you.

On April 30, 2014, WDAZ and the Grand Forks Herald broke a story that \$510,000 was loaned to the City of East Grand Forks (EGF) in 1999 by Economic Development and Housing Authority (EDHA) but over a decade passed with no payment being made.

The Herald reported that EDHA Executive Director Jim Richter brought the un-paid loan to the attention of EGF City Administrator David Murphy. Richter would not speak to reporters.

The news story also focused on EGF Mayor Lynn Stauss, his brother Dan Stauss, and EGF City Attorney Ronald Galstad.

I believe I have information connected to this fraud.

**TIMOTHY CHARLES HOLMSETH**

I am a (former) award-winning news reporter. I am now an investigative journalist/author.

I am well known to EGF City Attorney Ronald Galstad. I reported the City of EGF to U.S. Attorney B. Todd Jones and the Minneapolis FBI in 2012. There exists extreme animosity between me and the City of EGF.

FBI records will reflect I was interviewed by Special Agent A.J. Eilerman in 2010 regarding journalistic interviews I conducted with key players in the kidnapping of HaLeigh Ann-Marie Cummings, 5. Records with the EGFPD and Polk County Attorney's Office show that while the FBI in Florida was following leads they received via my interviews, the EGFPD was being contacted by the 'suspects' and looking for something to charge me with.

In 2012 Galstad colluded with the EGFPD to have me arrested on a trumped up charge that involved my publication. Public Defender Michael Lacoursiere told me that if I did not accept an Alford plea, two cops (Sgt. Chris Olson and Deputy Jesse Haugen) were going to lie on the stand to convict me. Lacoursiere repeatedly reminded me the "police want you in prison. They want you in St. Cloud".

In 2012 Galstad ordered the EGFPD to obtain a warrant to seize my computer's hard drive and other journalism equipment. The EGFPD placed Bureau of Criminal Apprehension (BCA) stickers on the seized property. Galstad then told Judge Tamara Yon in open court he was working with the BCA to have a forensic search done of my hard-drive. I contacted the Minnesota Department of Public Safety/BCA. Assistant Superintendent Drew Evans said they knew absolutely nothing about the case and were not involved in any way. Evans said they had never been asked to search my hard-drive. Sgt. Michael Norland, investigator, Polk County Sheriff's Office (PCSO), admitted in open court that he searched my computer with a program called Write Check but kept to 'Record of Examination' or 'Chain of Evidence' documentation. The hard-drive's Administrator log shows it was searched during a time-window when no law enforcement will admit they had possession of it. The hard-drive was returned on April 26, 2013, and had been rendered inoperable.

Evidence, facts, and circumstances show Galstad, City of EGF, EGFPD, and PCSO desperately wanted to know what was in my hard-drive.

It is within the context of my extremely adversarial relationship with Ronald Galstad and the City of EGF that I will now discuss the missing \$510,000 recently reported by the news.

### **\$510,000 UN-PAID EDHA LOAN**

EDHA Executive Director James Richter, and/or his staff, became paranoid/nervous after Kim Nelson, housing program coordinator, recently received an envelope/letter from a federal investigative agency.

The envelope/letter was sent to Kim Nelson at my behest. It was sent by the Office of Security/U.S. Department of Commerce. I had provided the Office of Security with Ms. Nelson's name because she is the HUD agent assigned to my rental assistance file. The envelope contained an address verification form.

I needed HUD to confirm my address as part of a federal security check being performed on me regarding security clearance required for me to work as a janitor at the National Weather Service building in Grand Forks. The security check was being performed by Joseph Lubin, U.S. Department of Commerce/Office of Security.

I have been working at the federal facility in Grand Forks, but am presently required to have a chaperone to enter two specific rooms until I receive my clearance. I was becoming increasingly frustrated because my clearance was not going through and it creates somewhat of a problem at times.

I stopped in the EDHA office (un-announced) in East Grand Forks on May 2, 2014, and asked to speak with Kim Nelson. She came to the front desk, greeted me, and we went into a private room.

We began conversing.

Ms. Nelson immediately brought up the address verification form she received regarding me. She told me she never sent it in. She told me she had been out on medical leave for a slip and fall injury (damaged rotator cuff). The verification form was sent to Ms. Nelson at the HUD office. However, it was my impression that at some point she had the verification form at home (perhaps working from home).

Ms. Nelson told me her superior wanted to see what was in the envelope from the federal investigative agency. Ms. Nelson commented that they almost always open her mail; but did not open this envelope. Ms. Nelson advised her boss it was an address verification form for Timothy Holmseth. She said her superior told her "you do NOT send ANYTHING".

I asked Ms. Nelson why her superior would object to something so innocuous. Ms. Nelson said, "Because they don't fucking trust me." She told me the verification form was never sent in and she believed she had "shredded it".

It should be pointed out that I had recently emailed EDHA Executive Director Jim Richter and complimented his employee, Kim Nelson. He never replied and Ms. Nelson later told me the compliment was never placed in her personnel file.

On May 2, while sitting in the glass private room conversing with Ms. Nelson, Mr. Richter exited his office and walked about slowly, looking into the room where we were sitting. Karen Lukasz, housing coordinator, also walked across the room and looked at us several times.

Ms. Nelson brought up the subject of the unpaid \$510,000 being reported by the news.

Ms. Nelson told me Mr. Richter was "on the cover of the newspaper yesterday". She told me it was not the first time he "got caught" doing that. She said \$500,000 had not been paid back by a company (I cannot remember the business name she gave me but it contained the name 'Kraft' or 'Craft'). She said two other women in the office do the books. Ms. Nelson said he "always gets away with it".

In an email exchange between Ms. Nelson and myself the next day, she said her boss had gotten "nervous" because the letter that contained the address verification form regarding me had come from a "U.S. Federal Investigator's Office".

## **IMPRESSIONS**

My impression is that Ms. Nelson's boss received an envelope from a federal investigative agency. She could not visually see the form (because Ms. Nelson was at home). She did not "trust" Ms. Nelson, and therefore instructed her to not send it, but rather, shred it.

There is no logical reason for a supervisor at EDHA to become "nervous" because of an envelope from a federal investigative agency. However – in this instance – the supervisor became so nervous and paranoid by a single envelope that a client's address verification form was destroyed to alleviate the supervisor's fears.

It would appear that during the time-window regarding the drama with the envelope; Mr. Richter, after a decade of silence and non-detection during audits, abruptly contacted EGF City Administrator David Murphy about an un-paid loan.

Respectfully submitted,  
Timothy Charles Holmseth

Timothy Charles Holmseth  
320 17th Street N.W.  
Unit # 17  
East Grand Forks, MN 56721  
218.773.1299  
218.230.1310 (cell)  
[tholmseth@wiktel.com](mailto:tholmseth@wiktel.com)  
[www.writeintoaction.com](http://www.writeintoaction.com)

NOTICE: This email and any files transmitted with it are confidential and intended solely for the use of the individual or entity to whom they are addressed. If you have received this email in error please notify the system manager. This message contains confidential information and is intended only for the

5/30/2014