

**STATE OF MINNESOTA
CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD**

**PRIMA FACIE
DETERMINATION**

IN THE MATTER OF THE COMPLAINT OF JAMES CARSON REGARDING THE SUSAN KENT FOR SENATE PRINCIPAL CAMPAIGN COMMITTEE:

The undersigned Chair of the Minnesota Campaign Finance and Public Disclosure Board has made a determination that the complaint submitted in the aforementioned matter is insufficient to allege a prima facie violation of Chapter 10A or of those sections of Chapter 211B under the Board's jurisdiction.

The complaint, filed on March 13, 2015, is primarily based on the Susan Kent for Senate committee's (the Committee) 2013 year-end report of receipts and expenditures, which was received by the Board on January 31, 2014. The complaint alleges the following violations:

1. In filing its 2013 year-end report of receipts and expenditures, the Committee violated Minnesota Statutes section 10A.20, subdivision 3 (j), which requires a committee to report advances of credit until paid or forgiven and which treats the forgiveness of an obligation as a contribution to the committee.
2. In filing its 2013 year-end report of receipts and expenditures, the Committee violated Minnesota Statutes section 10A.025, subdivision 2, which requires a report to be signed and certified as true and makes it a violation to sign and certify to be true a report knowing it contains false information.

The complaint alleges the following facts in support of its assertion that these violations occurred:

1. The Committee reported on its 2012 year-end report of receipts and expenditures an unpaid expenditure of \$37,278.59 to Graphics, Inc.
2. The Committee reported total unpaid debt of \$38,836.78 on its 2012 year-end report of receipts and expenditures.
3. On its 2013 year-end report of receipts and expenditures, the Committee reported two payments, totaling \$2,278.59, applicable to its unpaid debt
4. The Committee reported total remaining unpaid debt of \$3,151.42 on its 2013 year-end report of receipts and expenditures.

5. On the basis of the above allegations, Complainant concludes that an unpaid bill in the amount of \$35,000 disappeared from the Committee's filings.

Determination:

When the sole basis of a complaint is a report filed with the Campaign Finance and Public Disclosure Board, the Board will consider the report itself when evaluating whether a complaint states a violation of a statute that is under the Board's jurisdiction.

A review of the two reports that provide the basis for this complaint indicates that the complaint does not establish a prima facie violation.

Schedule B1-CE of the 2012 report indicates an unpaid balance of \$37,278.59 owed to Graphics, Inc. But that same schedule, in the detail of transactions with Graphics, Inc., clearly discloses a payment of \$31,500, which reduces the actual unpaid balance. In addition to the two payments on unpaid bills that the Complainant recognizes on the 2013 report, there is a third payment, also to Graphics, Inc., in the amount of \$3,500 which Complainant apparently did not recognize as a payment on an unpaid bill. Although the transaction was entered on the correct schedule and in the correct amount, it was entered in a way that did not specifically identify it as a payment on the unpaid bill. Between the \$31,500 payment in 2012 and the \$3,500 payment in 2013, both of which were present on the initial reports but lacked an accurate description, the \$35,000 unpaid balance that is the subject of the complaint is fully accounted for on the filed reports.

Complainant's interpretation of the subject reports apparently arises in part from the fact that the Committee uses the software provided by the Board for reporting and did not enter the \$31,500 payment in the approved way necessary for the software to correctly calculate the unpaid balance of the bill. Thus, the software calculated and reported an unpaid balance both on the campaign expenditure schedule and on the summary pages that did not include the reported payment.

Recognizing that the unpaid balance on the 2012 report could not be correctly calculated by the software, resulting in reporting excess unpaid obligations of \$31,500, the 2013 report is accurate in its entries and calculations of the remaining unpaid obligations. As a result, the Chair concludes that the complaint does not state a prima facie violation with respect to the 2013 report.

Although the complaint appears to be based solely on the 2013 report and the unpaid bills that appeared to be missing from that report, the Chair has considered whether the complaint states a prima facie violation with respect to two other issues. First, as indicated, a payment on an unpaid bill, though disclosed on the 2012 report, was not entered into the Board's Campaign Finance Reporter Software in a way that the software could include the payment in the totals that are calculated by the application. This resulted in inaccurate calculations for the total unpaid bills on the campaign expenditure schedule as well as on the report's transaction summary. On that issue, the Chair concludes that a complaint based on the failure to

accurately carry transaction details into various totals does not state a prima facie violation where the transaction details are completely and accurately disclosed on the schedules themselves. Thus, the complaint does not state a prima facie violation with respect to the 2012 report.

The second additional issue considered by the Chair results from the fact that the Board's software automatically carries a year-end cash balance forward as the beginning cash balance for the subsequent year. As a result of this feature, the inaccurate ending cash balance from 2012 was carried forward to 2013 as the beginning cash balance. Because this inaccuracy resulted from the same payment that was disclosed but not recognized by the software, the Chair concludes that the complaint does not state a prima facie violation with respect to beginning or ending cash balances.

The complaint also states that the Committee certified a report with knowledge that it contained false information. However, as the Chair has found that no prima facie violation exists regarding the Committee's reporting requirements, and considering that all transactions were reported, even if they were not reported in such a way to allow the software to properly calculate certain totals, the Chair finds that the complaint does not state a prima facie violation with respect to the certification requirement.

The allegations of the complaint having been found insufficient to state a prima facie violation, the complaint is dismissed.

/s/ George Beck
George Beck, Chair
Campaign Finance and Public Disclosure Board

Dated: April 10, 2015