

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

CONCILIATION AGREEMENT

In the matter of the Brad Kovach Committee to Elect for House (18427);

1. The Brad Kovach Committee to Elect for House is the principal campaign committee of Brad Kovach. The committee's 2019 year-end and 2020 pre-primary reports of receipts and expenditures disclosed contributions received totaling \$2,000 from Kathleen Krog. The total amount exceeded the individual contribution limit during the 2019-2020 election cycle, which for a candidate for state representative is \$1,000. The amount that the committee received in excess of the limit was not returned within 90 days of deposit and is therefore deemed accepted under Minnesota Statutes section 10A.15, subdivision 3.
2. Mr. Kovach stated that \$1,000 will be refunded to Ms. Krog by his committee.
3. The Kovach committee did not use the Board's Campaign Finance Reporter software to record and report contributions received in 2019. Therefore, when the committee used the software to record and report contributions received in 2020, the software did not provide a warning message when contributions were entered that, when combined with contributions received in 2019 from the same contributor, exceeded the individual contribution limit.
4. The parties agree that the committee accepted contributions in excess of the individual contribution limit in violation of Minnesota Statutes section 10A.27, subdivision 1, during the 2019-2020 election cycle. This is the committee's first violation of the individual contribution limit.
5. To avoid similar violations in the future, the Kovach committee agrees that it:
 - a. Will ensure that the committee's installation of the Campaign Finance Reporter software contains all data for both the odd-numbered and even-numbered years that comprise the current election cycle;
 - b. Will not accept a contribution that, in order to comply with the individual contribution limit, would require the committee to return any portion of a previous contribution; and
 - c. Will run a batch compliance report after each time contributions are entered and take steps to remedy any violations the software identifies so that problems may be resolved within the 90 days provided by statute for the return of a contribution before it is deemed accepted.
6. The Kovach committee agrees to the imposition of a civil penalty of \$1,000, the amount of the violation, for accepting contributions in excess of the individual contribution limit. Of this amount, \$250 is due within 30 days of the date the agreement is signed by both parties. The remaining \$750 of the penalty is, by the terms of this agreement, stayed until January 1, 2023. If the committee violates Minnesota Statutes section 10A.27, subdivision 1, before January 1, 2023, the

outstanding civil penalty is due immediately. If the committee does not violate Minnesota Statutes section 10A.27, subdivision 1, before January 1, 2023, the outstanding civil penalty is waived.

7. The Kovach committee agrees to provide to the Board, within 90 days of the date the agreement is signed by both parties, a copy of the deposited check or other documentation showing that the \$1,000 refunded by the committee was deposited by the contributor.

8. If the committee does not comply with the provisions of this agreement, this matter may be reopened by the Board and the Board may take such actions as it deems appropriate.

/s/ Brad Kovach
Brad Kovach
Brad Kovach Committee to Elect for House

Dated: October 15, 2020

/s/ Gary Haugen
Gary Haugen, Chair
Campaign Finance and Public Disclosure Board

Dated: October 8, 2020