

Minnesota

# ***Campaign Finance and Public Disclosure Board Meeting***

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Wednesday, September 12, 2018  
10:30 AM

St Croix Room  
Centennial Office Building  
St Paul MN

## **REGULAR SESSION AGENDA**

1. **Minutes**  
Regular session, August 16, 2018
2. **Chair's report**
  - a. Meeting schedule
3. **Request to Accept Affidavit of Contributions**
4. **Executive director report – no written material**
5. **Advisory Opinion 448 - Loan to Candidate**
6. **Enforcement report**
7. **Legal report**
8. **Other business**

## **EXECUTIVE SESSION**

Immediately following regular session



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

.....  
**August 16, 2018  
Room G-31  
Minnesota Judicial Center**  
.....

**MINUTES**

The meeting was called to order by Chair Flynn.

Members present: Flynn, Haugen, Leppik, Moilanen, Rosen (arrived during request to accept affidavit of contributions), Swanson

Others present: Sigurdson, Pope, staff; Hartshorn, counsel

The meeting did not strictly follow the order of business set forth in the agenda.

**MINUTES** (July 11, 2018)

After discussion, the following motion was made:

Member Swanson's motion: To approve the July 11, 2018, minutes as drafted.

Vote on motion: Motion passed (5 ayes, 1 absent).

**CHAIR'S REPORT**

**A. Meeting schedule**

The next Board meeting is scheduled for 10:30 a.m. on Wednesday, September 12, 2018.

**REQUEST TO ACCEPT AFFIDAVIT OF CONTRIBUTIONS**

Mr. Sigurdson presented members with a memorandum regarding this matter that is attached to and made a part of these minutes. Mr. Sigurdson said that one of the requirements for a candidate to qualify for public subsidy payments is to file an affidavit of contributions by the deadline for filing the pre-primary report of receipts and expenditures. Mr. Sigurdson said that in 2018, the deadline for the pre-primary report, and therefore the affidavit of contributions, was July 30, 2018. Mr. Sigurdson briefly reviewed the outreach conducted by Board staff to ensure that candidates are aware of the affidavit deadline. Mr. Sigurdson stated that despite this outreach, some candidates do not file the affidavit by the deadline and therefore are disqualified from receiving public subsidy payments. Mr. Sigurdson said that one of these candidates, Gary Porter, was asking the Board to accept his affidavit of contributions.

Candidate Gary Porter and his committee treasurer Joan Stevermer then appeared before the Board. Mr. Porter stated that he and his treasurer believed that everything had been filed. Mr. Porter said that Ms. Stevermer had called the Board and been told that the committee's report had been received. Mr. Porter argued that because his committee actually had raised the required contributions and because he and his treasurer believed that they had complied with the affidavit requirement, he was asking the Board to accept his affidavit of contributions.

Mr. Sigurdson then clarified that staff had spoken with Ms. Stevermer on the affidavit due date but had believed that the treasurer was asking only whether the committee's pre-primary report had been filed, not the affidavit of contributions.

After discussion, the following motions were made:

Member Rosen's motion: To accept the Porter affidavit of contributions.

Vote on motion: Motion failed (3 ayes, 3 nays).

Member Moilanen's motion: To accept the Porter affidavit of contributions under the circumstances of this case with the parties appearing before the Board.

Vote on motion: Motion passed (4 ayes, 2 nays).

### **EXECUTIVE SESSION**

The chair recessed the regular session of the meeting and called to order the executive session. Upon recess of the executive session, the regular session of the meeting was called back to order and the chair had the following to report into regular session:

Findings of fact, conclusions of law, and order in the matter of the complaint of Soren Sorensen regarding the 2<sup>nd</sup> Senate District DFL, Ted Fiskevold, chair, and Lon Engberg, treasurer

Revised findings of fact, conclusions of law, and order in the matter of the Vote Jerry Loud committee

### **ADVISORY OPINION 448 – LOAN TO CANDIDATE**

Mr. Sigurdson presented members with a memorandum regarding this matter that is attached to and made a part of these minutes. Mr. Sigurdson said that this advisory opinion request considered whether a loan made by an individual to a candidate for the purpose of allowing the candidate to campaign full time would be subject to the contribution limits and reporting requirements in Chapter 10A.

After discussion, the following motion was made:

Member Rosen's motion: To lay the matter over to the next meeting.

Vote on motion: Unanimously passed.

**ADVISORY OPINION 449 – POLITICAL ADVERTISEMENTS IN NEWSLETTERS**

Mr. Sigurdson presented members with a memorandum regarding this matter that is attached to and made a part of these minutes. Mr. Sigurdson stated that this advisory opinion was requested by an association that publishes newsletters and that wants to accept newsletter advertisements only from candidates who are members of the association. Mr. Sigurdson said that the draft opinion stated that the association’s advertising policies were not regulated by Chapter 10A but that in some situations, those policies could result in contributions from the association to the member candidates or from corporate members to the advertising candidates.

After discussion, the following motion was made:

Member Swanson’s motion: To adopt Advisory Opinion 449 as drafted.

Vote on motion: Unanimously passed.

**EXECUTIVE DIRECTOR REPORT**

Mr. Sigurdson compared the number of pre-primary reports still outstanding to the number of reports that had been timely filed on July 30, 2018. Mr. Sigurdson also highlighted some aggregate contribution and expenditure information from those reports. Mr. Sigurdson said that public subsidy payments would be made to qualifying candidates at the end of the week following the Board meeting. Finally, Mr. Sigurdson announced that Andrew Olson would be filling the Board’s vacant management/legal analyst position.

**ENFORCEMENT REPORT**

**A. Consent item**

**1. Request to withdraw registration – DentaQuest Political Action Committee**

Ms. Pope told members that DentaQuest was a political action committee registered in Tennessee. Ms. Pope said that the committee had made contributions to two Minnesota party units. Because the total of the two contributions exceeded \$750, DentaQuest mistakenly believed that it was required to register as a political committee in Minnesota. Ms. Pope stated that after DentaQuest had registered a political committee in Minnesota, it became aware of Minnesota Statutes section 10A.27, subdivision 13. This statute allows groups not registered in Minnesota to make contributions of more than \$200 during a calendar year to up to three committees or party units registered in Minnesota as long as the unregistered group provides an underlying disclosure statement with the contribution. Ms. Pope told members that DentaQuest had provided the required disclosure with its contributions to the two Minnesota party units. Ms. Pope stated that because DentaQuest did not plan to make any more contributions this year to groups registered in Minnesota and because DentaQuest was not required to register in Minnesota to make the contributions that it made, DentaQuest was asking the Board to allow it to withdraw its registration.

After discussion, the following motion was made:

Member Swanson's motion: To allow DentaQuest Political Action Committee to withdraw its registration in Minnesota.

Vote on motion: Unanimously passed.

## **B. Discussion items**

### **1. Request for second residence waiver – Tim Pawlenty**

Ms. Pope told members that Tim Pawlenty had filed a candidate statement of economic interest on June 19, 2018. Ms. Pope said that with his statement, Mr. Pawlenty also had submitted a request under Minnesota Statutes section 10A.09, subdivision 9, to waive the requirement that he disclose the address of his second residence. Mr. Pawlenty stated that the waiver request was made because of security concerns. Ms. Pope said that following staff direction, Mr. Pawlenty had not included information about the second residence on his statement pending the decision on his waiver request. Ms. Pope said that Mr. Pawlenty had submitted a supplement to his waiver request that discussed his security concerns.

After discussion, the following motion was made:

Member Rosen's motion: To grant Tim Pawlenty's request to waive the requirement that he disclose the address of his second residence on his candidate statement of economic interest form.

Vote on motion: Unanimously passed.

### **2. Request for second residence waiver – Michelle Fischbach**

Ms. Pope told members that Michelle Fischbach had filed a candidate statement of economic interest on June 19, 2018. Ms. Pope said that with the statement, Lt. Gov. Fischbach also had submitted a request under Minnesota Statutes section 10A.09, subdivision 9, to waive the requirement that she disclose the address of her second residence. Lt. Gov. Fischbach stated that the waiver request was made because of security concerns and to minimize safety concerns. Ms. Pope said that following staff direction, Lt. Gov. Fischbach had not included information about the second residence on her statement pending the decision on her waiver request.

After discussion, no motion was made. There was consensus that if Lt. Gov. Fischbach decided to provide additional information regarding her waiver request, the Board would consider the matter at its next meeting.

**C. Waiver requests**

| <u>Name of Candidate or Committee</u>        | <u>Late Fee &amp; Civil Penalty Amount</u> | <u>Reason for Fine</u>  | <u>Factors for waiver</u>   | <u>Board Member's Motion</u> | <u>Motion</u>                | <u>Vote on Motion</u> |
|--|--|-------------------------|---|------------------------------|------------------------------|-----------------------|
| Mary Mellen, house candidate, affidavit only | \$75 LFF                                   | Candidate EIS           | Candidate filed for office but then became ill for a few weeks. In addition, reminder letter was delivered to next-door neighbor. Candidate filed statement as soon as she recovered and received reminder. | Member Rosen                 | To waive the late filing fee | Unanimously passed    |
| Stevens County DFL                           | \$250 LFF                                  | 2018 pre-primary report | Treasurer was ill and then in hospital when report was due.   | Member Rosen                 | To waive the late filing fee | Unanimously passed    |

After discussion, the following motion was made:

Member Swanson's motion: To grant the waiver requests of James Mellin, Mai-Anh Kapanke, and COLL PAC

Vote on motion: Motion failed (3 ayes, 3 nays)

| <u>Name of Candidate or Committee</u>               | <u>Late Fee &amp; Civil Penalty Amount</u> | <u>Reason for Fine</u>    | <u>Factors for waiver</u>  | <u>Board Member's Motion</u> | <u>Motion</u>                             | <u>Vote on Motion</u>  |
|---|--|---------------------------|--|------------------------------|---|------------------------|
| James Mellin, lt. gov. candidate, affidavit only    | \$65 LFF                                   | Candidate EIS             | Candidate sent email with EIS but email was stuck in his outbox due to technical issues with computer. Candidate texted copy of form to governor candidate so forms could be filed together but only governor candidate's statement was received. Candidate filed statement as soon as he learned it had not been received.  | Member Swanson               | To waive the late filing fee              | Motion passed (5 ayes) |
| Mai-Anh Kapanke, Mentoring Partnership of Minnesota | \$50 LFF                                   | 6/15/2018 Lobbyist report | Lobbyist was in process of transitioning to new job when report was due. At same time, accountant for lobbyist's former employer/principal was onboarding a new accountant and the request for disbursement information fell through the cracks. During the reporting period, lobbyist had no disbursements and principal was not engaged in any large-scale lobbying. | Member Swanson               | To waive the late filing fee              | Motion passed (5 ayes) |
| Dennis Smith for State House                        | \$550 LFF                                  | 2017 year-end report      | Candidate's treasurer left before 2017 year-end report was due. Candidate then was responsible for filing report and was overwhelmed by the amount of detail involved. Candidate states that he has new team in place to ensure reports are timely filed.  | Member Rosen                 | To reduce the late filing fee by one-half | Motion passed (5 ayes) |

|          |           |                         |   |              |   |                        |
|----------|-----------|-------------------------|---|--------------|---|------------------------|
| COLL PAC | \$250 LFF | 2018 pre-primary report | Person responsible for sending in no change report mistakenly faxed it to herself. She also did not follow her usual practice of emailing report in as well. After calling to confirm receipt and learning report had not been received, she then faxed report. | Member Rosen | To reduce the late filing fee by one-half | Motion passed (5 ayes) |
|----------|-----------|-------------------------|---|--------------|---|------------------------|

**Informational Items**

**A. Payment of a late filing fee for 2017 year-end report of receipts and expenditures**

Sherrie Pugh, \$150

**B. Payment of a late filing fee for June 15, 2018, annual report of lobbyist principal**

Kristen Anderson, \$25  
 Mark Anfinson, \$25  
 Kevin Walli, \$500  
 Stacey Mickelson, \$75  
 Christina Zeise, \$25  
 Kelly Wolfe, \$25

**C. Payment of a late filing fee and civil penalty for 2017 annual EIS**

Ilhan Omar, \$1,100

**D. Payment of a late filing fee for candidate statement EIS**

Leon Lillie, \$30

**E. Payment of a civil penalty for false certification**

Brandon Peterson, \$1,981.48

**F. Deposit to the General Fund**

Jessica Rohloff, \$250  
 Marty Judge, \$60  
 Doug Wardlow, \$40  
 Matt Dean, \$1,671.24

**G. Payment of a late filing fee for 2018 1<sup>st</sup> quarter report of receipts and expenditures**

Mining Ind. Leadership Fund, \$225

**H. Payment of a civil penalty excess special source contributions**

Warren Limmer, \$1,500



**I. Payment of a late filing fee for June 14, 2018, report of receipts and expenditures**

Leech Lake PAC, \$25  
International Union of Operating Engineers, \$100  
AGC Building Contractors, \$50  
SEIU Local 26, \$25

**RATIFY AFFIRMATIVE ACTION PLAN**

Ms. Pope presented members with a memorandum regarding this matter that is attached to and made a part of these minutes. Ms. Pope told members that every two years, the Board must review and ratify its affirmative action plan. Ms. Pope stated that the draft affirmative action plan for 2018-2020 was based on the state's model plan for agencies with 25 or fewer employees.

After discussion, the following motion was made:

Member Leppik's motion: To ratify the 2018-2020 affirmative action plan.

Vote on motion: Unanimously passed.

**LEGAL COUNSEL'S REPORT**

Mr. Hartshorn presented members with a legal report that is attached to and made a part of these minutes. Mr. Hartshorn had nothing to add to the report.

**OTHER BUSINESS**

There was no other business to report.

There being no other business, the meeting was adjourned by the chair.

Respectfully submitted,

Jeff Sigurdson  
Executive Director

Attachments:

Memorandum regarding request to accept affidavit of contributions  
Memorandum regarding Advisory Opinion 448- Loan to candidates  
Draft public advisory opinion 448  
Memorandum regarding Advisory Opinion 449- Political advertisements in newsletters  
Draft public advisory opinion 449  
Memorandum regarding ratification of 2018-2020 affirmative action plan  
2018-2020 affirmative action plan  
Legal report

Findings of fact, conclusions of law, and order in the matter of the complaint of Soren Sorensen regarding the 2<sup>nd</sup> Senate District DFL, Ted Fiskevold, chair, and Lon Engberg, treasurer  
Revised findings of fact, conclusions of law, and order in the matter of the Vote Jerry Loud committee

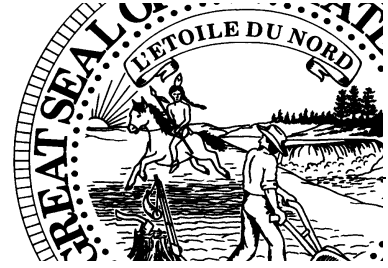
DRAFT



# Campaign Finance and Public Disclosure Board

190 Centennial Bldg, 658 Cedar St, St Paul, MN 55155

[www.cfboard.state.mn.us](http://www.cfboard.state.mn.us)



## **Board Meeting Dates for Calendar Year 2018**

Meetings are at **10:30 A.M.** unless otherwise noted.

### **2018**

Wednesday, October 3

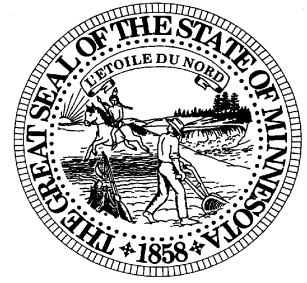
Wednesday, November 7

Wednesday, December 5



Minnesota

*Campaign Finance and  
Public Disclosure Board*



**Date:** September 5, 2018

**To:** Board members

**From:** Jeff Sigurdson, Executive Director

**Telephone:** 651-539-1189

**Re:** Request to accept affidavit of contributions after deadline

At the August 16, 2018, meeting the Board granted a request from Gary Porter to accept an affidavit of contributions filed on August 1, 2018. The filing of the affidavit of contributions is required by Minnesota Statutes section 10A.323 in order for a candidate to qualify for a public subsidy payment. The affidavit certifies that the principal campaign committee collected a set amount in cash contributions from individuals eligible to vote in Minnesota counting only the first \$50 of a contribution. For the office of state representative, the required amount is at least \$1,500.

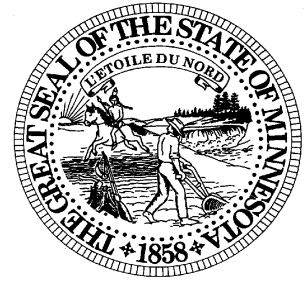
On August 13, 2018, staff sent all candidates who had signed a public subsidy agreement but had not filed the affidavit of contributions a letter stating that because the Board had not received an affidavit of contributions from the committee, the candidate would not be paid a public subsidy payment. In response to the letter Matt Grossell, who is a candidate for House District 2A, contacted the executive director. Mr. Grossell had signed the public subsidy agreement, and stated that he believed he had filed all necessary documents to qualify for the public subsidy payment. Very similar to the situation with Mr. Porter, there apparently was confusion between Mr. Grossell and staff as to whether the timely filing of the pre-primary report meant that all required documents had been filed by the committee. The Grossell committee reports show that the committee received sufficient contributions from individuals to qualify for the public subsidy payment.

Mr. Grossell has now filed the affidavit of contributions, and will be present at the September Board meeting to request that the Board accept the affidavit of contributions and issue his committee the public subsidy payment. If authorized, the public subsidy payment to Mr. Grossell's campaign will be \$3,113.



Minnesota

*Campaign Finance and  
Public Disclosure Board*



**Date:** September 5, 2018

**To:** Board members

**From:** Jeff Sigurdson, Executive Director

**Telephone:** 651-539-1189

**Re:** Advisory Opinion 448 – Loan to a candidate for the purpose of allowing the candidate to campaign full time.

The Board considered and laid over a draft Advisory Opinion 448 at the August 16, 2018, meeting. This advisory opinion was requested on behalf of a candidate with a registered campaign committee who is running for office this year. The candidate does not wish to make the request public. Therefore, both a public and a nonpublic draft version of the opinion are provided for the Board's review.

The request asks a series of questions all based on the candidate potentially accepting a personal loan from an individual. As provided in the request the loan is being offered so that the candidate will be able to campaign full time.

Staff has rewritten the draft opinion to clarify the statutory analysis on which the opinion is based. However, the draft opinion reaches the same overall conclusion as the draft opinion laid over in August; the proceeds of a loan made to benefit a candidate's campaign must be reported under the provisions of Chapter 10A. The opinion further provides that the loan described in the facts of the opinion request is subject to the applicable contribution limits found in Chapter 10A.

Attachments:

Advisory opinion request

Nonpublic version of draft advisory opinion

Public version of draft advisory opinion



**State of Minnesota  
Campaign Finance & Public Disclosure Board  
Suite 190, Centennial Building. 658 Cedar Street. St. Paul, MN 55155-1603**

**THE FOLLOWING PUBLICATION DOES NOT IDENTIFY THE  
REQUESTER OF THE ADVISORY OPINION, WHICH IS NON PUBLIC DATA  
under Minn. Stat. § 10A.02, subd. 12(b)**

**ADVISORY OPINION 448**

**SUMMARY**

A principal campaign committee is the vehicle for depositing and reporting a loan made to benefit a candidate's campaign. A loan to a principal campaign committee from an individual is subject to the applicable reporting requirements and limits found in Chapter 10A.

**Facts**

As a representative of a candidate with a registered principal campaign committee, you ask the Campaign Finance and Public Disclosure Board for an advisory opinion on behalf of the candidate based on the following facts:

1. The candidate has filed for a state-level office and will appear on the ballot for that office this year. The candidate wishes to devote his or her full time to the campaign, but does not have the financial resources to campaign full time.
2. An individual who has no role in the candidate's campaign is willing to make a loan to the candidate so that the candidate may campaign full time. The funds for the loan will not come from a corporation or a financial institution. The individual who is willing to make the loan would use only his or her personal funds for the loan.
3. The loan would be made with a written agreement that would provide for repayment of the loan over a set number of years, and a market value interest rate would apply to the loan.
4. The loan agreement would contain the following provisions:
  - a) None of the proceeds of the loan will be used for political purposes in any way;
  - b) The proceeds of the loan will not be intermingled with the candidate's principal campaign committee funds;
  - c) The loan must be repaid from the candidate's personal funds; and
  - d) The intent of the loan is to cover personal living expenses that would ordinarily be covered by the candidate's personal income.
5. For the purposes of issue number 5, the Board may assume that the individual making the loan is aware that providing information on a planned independent expenditure to the candidate, or any agent of the candidate, would defeat the independence of the expenditure.

## Issue One

Is the loan subject to any reporting requirements under Minnesota Statutes Chapter 10A?

## Opinion One

Yes. The loan is to an individual who is a candidate as defined in Minnesota Statutes section 10A.01, subdivision 10. As required by Minnesota Statutes section 10A.105, subdivision 1, the candidate has formed and has registered a principal campaign committee for the office sought. The principal campaign committee is the mechanism for making and reporting all financial activity related to the candidate's campaign.

Chapter 10A does not distinguish contributions made to the candidate from contributions made to the candidate's principal campaign committee, or provide a way to exempt contributions made directly to the candidate from the reporting requirements. To insure that the reports of the principal campaign committee disclose all contributions made to benefit the campaign, Minnesota Statutes section 10A.15, subdivision 3, provides in part that "[a]ll contributions received by or on behalf of a candidate ... must be deposited in an account designated "Campaign Fund of ..... (name of candidate...)."

Indeed, the compliance requirements of Chapter 10A apply to the candidate, with the principal campaign committee providing the disclosure to ensure that the candidate meets those requirements. For example, the voluntary campaign spending limits apply to the candidate who signs the public subsidy agreement. Minn. Stat. § 10A.25, subd. 1. Further, the contribution limits in Chapter 10A are applied to the candidate for a given office, with the direction that "a candidate must not permit the candidate's principal campaign committee to accept" contributions in excess of those limits. Minn. Stat. § 10A.27, subd. 1. Minnesota Statutes section 10A.20 then specifies the timing and contents of the reports that the candidate's principal campaign committee must file with the Board to disclose those contributions and expenditures.

Therefore, the loan, while made to the candidate, is reportable under Chapter 10A if it is a contribution to the candidate's campaign. The requester states that the loan agreement will provide that none of the loan proceeds will be used for political purposes in any way, and because of this the funds from the loan will not be deposited in the principal campaign committee account. By themselves, these facts could lead to the conclusion that the loan is not a contribution to the candidate's committee. However, the requester's statement stands in contradiction to the stated purpose of the loan. As stated in the facts of the opinion request, the individual who is offering to make the loan is doing so knowing that the funds will be used to allow the candidate to campaign full time. That is the only stated reason the loan is being offered, or would be accepted.

The expected direct result of the loan is to increase the candidate's availability to campaign for office. The Board does not find a way to reconcile that result with the statement that the funds from the loan will not be used for a political purpose. Chapter 10A does not attempt to delineate all the ways in which money is used for a political purpose, but it does define reportable campaign expenditures broadly to include expenditures "...made for or incurred for the purpose of influencing the nomination or election of a candidate...". Minn. Stat. § 10A.01, subd. 9.

With the stated purpose of the loan so clearly tied to the candidate's campaign for office, the Board concludes that the loan is a contribution to the candidate, and if made must be reported by the principal campaign committee as required in Minnesota Statutes section 10A.20, subdivision 3 (e).

If the Board were to recognize a way for individuals to make loans to candidates to benefit the campaign outside of the reporting requirements of Chapter 10A, then the individual making the loan could avoid applicable contribution limits. Additionally the individual making the loan would have anonymity not available to other principal campaign committee contributors. The end result would be a circumvention of the contribution limits and disclosure requirements of Chapter 10A.

### **Issue Two**

Would this loan constitute a contribution from the individual who wishes to make the loan to the candidate or the candidate's principal campaign committee?

### **Opinion Two**

As explained in Issue One, the loan must be reported by the candidate's principal campaign committee. A loan may become a contribution under the circumstances described in Minnesota Statutes, section 10A.01, subdivision 11 (b):

(b) "Contribution" includes a loan or advance of credit to a political committee, political fund, principal campaign committee, or party unit, if the loan or advance of credit is: (1) forgiven; or (2) repaid by an individual or an association other than the political committee, political fund, principal campaign committee, or party unit to which the loan or advance of credit was made. If an advance of credit or a loan is forgiven or repaid as provided in this paragraph, it is a contribution in the year in which the loan or advance of credit was made.

Because a loan may become a contribution, a loan from an individual may not be in an amount greater than the contribution limit for the office sought. Further, the loan may not be endorsed for an amount greater than the applicable contribution limit of the individual who endorses the loan, as provided in Minnesota Statutes section 10A.27, subdivision 8.

### **Issue Three**

Does this loan constitute an approved expenditure on behalf of the candidate?

### **Opinion Three**

No. An approved expenditure is a type of in-kind contribution in which goods or services are purchased by an entity or individual on behalf of the principal campaign committee. Minn. Stat. § 10A.01, subd. 4. As provided in the facts of this opinion the loan will provide funds for the candidate's use.

#### **Issue Four**

If the individual who is willing to make the loan has already given the maximum allowed contribution to the candidate's principal campaign committee, would the individual still be allowed to make the loan?

#### **Opinion Four**

No. Outstanding loans either made or endorsed by an individual are included in the aggregation of contributions counted towards the contribution limit of the individual, as provided in Minnesota Rules, part 4503.0700, subpart 1.

#### **Issue Five**

Is the legality of the loan impacted if the individual making the loan is also a board member of an association that makes independent expenditures in support of the candidate's campaign?

#### **Opinion Five**

No. The scenario presented in the request does not suggest that the independent expenditures were discussed with the candidate or any agent of the candidate. Therefore, the scenario does not present any opportunity for actions that would defeat the independence of the expenditures.

Additionally, Minnesota Laws 2018, chapter 119, section 24 (to be codified as Minnesota Statutes section 10A.177) provides that a donation to a candidate from an individual or entity that makes independent expenditures does not by itself compromise independent expenditures made on behalf of the candidate.

#### **Issue Six**

Are the answers to any of the prior opinions changed depending on whether the candidate signed or did not sign the public subsidy agreement for the election cycle?

#### **Opinion Six**

No. None of the opinions provided are reliant on the candidate signing the public subsidy agreement.

A candidate who does not sign the public subsidy agreement is not limited in the amount of funds donated or loaned to his or her own principal campaign committee, and such a candidate would also be free to endorse a loan from a financial institution to the committee in any amount.

Issued September 12, 2018

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Carolyn Flynn, Chair  
Campaign Finance and Public Disclosure Board



Minnesota

# Campaign Finance and Public Disclosure Board

190 Centennial Building . 658 Cedar Street . St. Paul, MN 55155-1603 FAX: 651-539-1196 or 800-357-4114

**DATE:** September 5, 2018

**TO:** Board Members  
Counsel Hartshorn

**FROM:** Jodi Pope, Legal/Management Analyst

**SUBJECT:** Enforcement report for consideration at the September 12, 2018, Board meeting

## A. Waiver Requests

|   | Committee/<br>Entity   | Late<br>Fee or<br>Civil<br>Penalty | Report<br>Due                             | Factors   | Most<br>Recent<br>Balance | Previous<br>Waivers<br>Granted           |
|---|--|------------------------------------|---|---|---------------------------|--|
| 1 | Pilgrim's/JFC<br>LLC dba GNP<br>Co (fka Gold'N<br>Plump Poultry) | \$1,000<br>LFF<br>\$700<br>CP      | 3/15/2018<br>principal<br>report          | Pilgrim's purchased JFC early in January 2017 and all administrative staff responsible for Minnesota lobbying and principal reports had left the company by June 2017. Pilgrim's therefore did not know of need to file principal's report in March 2018.   | NA                        | No                                       |
| 2 | Haley for<br>House   | \$100<br>LFF                       | 2018 pre-<br>primary<br>report            | Treasurer attempted to upload report using Campaign Finance Reporter software and received a message that she believed showed that report had been filed. Treasurer, however, actually had downloaded information from the Board instead of sending report to the Board. When treasurer learned that report had not been filed, she called Board staff and obtained help to upload report.  | \$40,680                  | No                                       |
| 3 | Minn AFL-CIO   | \$175                              | 2018 1 <sup>st</sup><br>quarter<br>report | Treasurer attempted to upload report using Campaign Finance Reporter software and received a message that she believed showed that report had been filed. Treasurer, however, actually had not submitted entire report due to loss of internet connection. Board records show that an attempt to file the report was made on due date.<br><br>Previous waivers - In 2016, a 24 hr notice LFF was reduced from \$1,000 to \$250. In 2012, four 24 hr notice LFFs were reduced from \$1,000 to \$0 due to notification error in software. | \$74,427                  | Yes -<br>details in<br>factors<br>column |
| 4 | Kenneth Bush<br>for State Rep                                    | \$350<br>LFF                       | 2018 pre-<br>primary<br>report            | Treasurer thought that she had filed report but she actually had submitted affidavit of contributions. When treasurer learned that report had not been filed, she contacted Board staff and obtained help correcting the negative balance that had prevented report from being filed. Treasurer states that neither she nor candidate received reminder calls or emails.  | \$3,069                   | No                                       |

|   |                                     |           |                         |   |         |   |
|---|-------------------------------------|-----------|-------------------------|---|---------|---|
| 5 | Lois Conroy for Judge               | \$100 LFF | 2018 pre-primary report | Treasurer is asking for a waiver. Committee has had a zero balance since December 31, 2013. Treasurer has filed no-change reports since that date.  | \$0     | Yes, \$700 LFF 2016 YE reduced to \$250 |
| 6 | 4 <sup>th</sup> Senate District DFL | \$250 LFF | 2018 pre-primary report | Party unit did not notify Board that it had a new treasurer. When former treasurer received report reminder, he sent email saying there had been no changes since the last report. When staff notified former treasurer that actual report was needed, he completed and filed the no-change report. | \$1,699 | No                                      |
| 7 | MN School Counselors Assn PAC       | \$550 LFF | 2018 pre-primary report | Treasurer did not see reminder email until he returned from out-of-state trip. Treasurer then filed a no-change report.   | \$5,218 | No                                      |
| 8 | Houston County RPM                  | \$100 LFF | 2018 pre-primary report | Treasurer did not file report on time because he needed additional information to ensure that he reported a transaction correctly.  | \$674   | No                                      |
| 9 | Power by the People                 | \$150 LFF | 2018 pre-primary report | Treasurer did not check her mail on time. When treasurer checked mail, she immediately filed report.  | \$543   | No                                      |

### Informational Items

#### **A. Payment of a late filing fee for 2017 year-end report of receipts and expenditures**

Bois Forte Political Ed Fund, \$200  
Dennis Smith, \$275  
Unidos Votamos Political Fund, \$1,000  
Wade Fremling, \$500.05

#### **B. Payment of a late filing fee for June 15, 2016, lobbyist disbursement report**

Dan McGrath, \$123.19

#### **C. Payment of a late filing fee for June 15, 2018, lobbyist disbursement report**

Jason Craig, \$25  
Thomas Keliher, \$300

#### **D. Payment of a late filing fee and civil penalty for 2016 year-end report**

Bruce Patterson, \$193.33

#### **E. Payment of a late filing fee for 2017 candidate economic interest statement**

Ross Aigner, \$60.94

#### **F. Payment of a civil penalty for 2016 excess party unit contribution**

Jerald Loud, \$450

#### **G. Deposit to the General Fund**

Amy Dawson, \$329.83

**H. Payment of a late filing fee for June 14, 2018, report of receipts and expenditures**

MEDPAC Minn Medical PAC, \$50  
MN Jobs Coalition Legislative Fund, \$25

**I. Payment of a late filing fee for 2016 pre-primary-election report of receipts and expenditures**

Lawrence Patwin, \$7.20

**J. Payment of a late filing fee for July 30 2018, report of receipts and expenditures**

Abdalla Abdulkadir, \$50  
Alarm PAC, \$250  
Michael Ford, \$50  
Minn. State Bar Assoc. \$50  
Pipe Fitters Local 539, \$150  
TwinWest Business Advocacy Fund, \$350  
TwinWest Chamber of Commerce, \$350  
Water is Life, \$100





August 10, 2018

Megan Engelhardt, Assistant Executive Director  
MN Campaign Finance & Public disclosure Board  
Suite 190, Centennial Building  
658 Cedar Street  
St Paul, MN 55155-1603

Dear Ms Engelhardt

I am writing today to request a waiver of the late filing fees being assessed for filing the LPR Lobbyist Principal Report after the March 15, 2018 due date.

A certified letter from your office addressed to Steve Jurek of JFC LLC dba GNP Company (fka Gold'N Plump Poultry Inc) was received on March 31, 2018. On January 6, 2017 Pilgrim's Corporation of Greeley, Colorado purchased the company. Mr Jurek left the company in June 2017 and all of the administrative staff working in that same St Cloud location are also no longer with the company.

Until that letter was received from your office in March, we were not aware that we had a lobbyist nor were we aware that we were required to file the report. It then took some time for us to determine exactly what needed to be done. We filed the report on June 27, 2018, once we received a copy of the form and were able to determine the information needed.

Please reach out to me should you have any questions. I can be reached at 320-240-6603 or by email at [pam.brenny@pilgrims.com](mailto:pam.brenny@pilgrims.com).

Sincerely,

Pam Brenny  
Procurement Specialist  
Cold Spring Complex

[www.pilgrims.com](http://www.pilgrims.com)

1770 Promontory Circle  
Greeley, CO 80634-9039 USA

Campaign Finance and Public Disclosure Board  
Megan Engelhardt  
Assistant Executive Director  
190 Centennial Office Building  
658 Cedar St.  
St. Paul, MN 55155

Re: Report of Receipts and Expenditures  
Reg. No 17969

Dear Megan Engelhardt,

I am writing in response to your letter, dated August 15, 2018, which notifies the Haley For House campaign of a \$100 late filing fee. As the campaign treasurer, I would like to detail how this occurred and the interactions I had with the CFB staff.

I thought that I had successfully filed the Report of Receipts and Expenditures between 5:00-6:00 pm on July 30, 2018. The steps I followed in the software program were as follows:

*Tools – files transfers – download committee information – begin transfer...the files executed and the software stated “upload successful.”*

I believed that this meant I had filed the report successfully. I contacted Rep. Barb Haley that evening to notify her that we had completed the required filing.

Barb Haley did not receive any computer messages or phone messages from the CFB. Nor did I. I checked the email and phone numbers listed for the campaign and all are listed correctly. On Tuesday, the campaign manager, Tim Haley, received a voicemail from Marsha (651-539-1187) stating that our report had not been received. He relayed that message to me and to Rep. Haley on Tuesday evening. Rep. Haley called Marsha on Wednesday morning, August 1st. She relayed to Marsha the steps we had taken and expressed our concern now with a status of reporting late. I then also contacted Marsha and told her we didn't know how to fix the error. Marsha suggested that we contact Gary Bauer in I.T. (651-539-1185). I then called Gary and was given instructions on how to properly execute our report. These are the steps that I took:

*Reports – Board Reports – Then in the Treasurer Certification area put in First and Last Name, click the spot that says “I certify that this report is complete, true and correct” – it then automatically takes me to file download and I begin transfer. Then it states the exact same thing – “upload successful.”*


I also informed Gary that I couldn't find these specific instructions in the manual.

Once I completed the above steps, I confirmed that the report was successfully received.

Based on this information and my sincere assumption that I had filed on time, I would appreciate consideration for waiver of the fee and removal of the status of late filing. I apologize for my error in utilizing the new software and I can assure you that it won't happen again.

Thank you for your consideration.

Sincerely,



Jeni Wentz



August 14, 2018

Megan Engelhardt  
Assistant Executive Director  
Campaign Finance & Public Disclosure Board  
190 Centennial Office Building  
668 Cedar Street  
St. Paul, MN 55155

Dear Miss Engelhardt:

The Minnesota AFL-CIO would like to request a waiver of the \$175 fine for a late filing fee for an alleged late report of Receipts and Expenditures which was due April 16, 2018. We do not believe the report was late. Minnesota AFL-CIO Secretary-Treasurer Julie Blaha resigned to run for State Auditor and I am the new Secretary-Treasurer.

Former Minnesota AFL-CIO Secretary-Treasurer Julie Blaha said the report was downloaded to the Campaign Finance Board site on April 16 and she received confirmation that it was downloaded. When President McCarthy received the first notice regarding this issue he conferred with Julie Blaha. Julie said she called the Campaign Finance Board and was informed that the Board had been having computer or software problems.

As we did download the report on time and through no fault of our own we received a fine, I would, again, request a waiver of the \$175 fine. Our Registration Number is 30025. Thank you for your time and consideration.

Sincerely,

A handwritten signature in blue ink that reads "Bradley Lehto". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Bradley Lehto  
Secretary-Treasurer  
651-261-0034 (Cell)

## Engelhardt, Megan (CFB)

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**From:** Karen Mozina <karen.mozina@gmail.com>  
**Sent:** Wednesday, August 22, 2018 12:23 PM  
**To:** Engelhardt, Megan (CFB)  
**Subject:** Report of Receipts and Expenditures due July 30, 2018; Reg. No.: 18296

Good Afternoon Megan,

I am writing to request the Campaign Finance Board waive the late filing fee of \$350.00 for Kenneth Bush for State Rep Campaign Committee. I state the following reasons for the waiver:

1. This is my first time reporting through the Campaign Finance Board Software as Treasurer. I thought I had submitted the correct report but found out I had submitted the Affidavit of Publication. I was also confused with trying to send the report to the Board with the negative balance.
2. There was confusion in contacting Kenneth and myself via phone. Kenneth's phone was not working (and email) and I was not contacted.
3. There was also confusion related to sending me an email regarding the report. I was told an email had been sent to me but in fact it was not.

Please let me know if you need any further information and thank you for your time in the waiver consideration.

Sincerely,

Karen Mozina  
(507) 254-0173

## Pope, Jodi (CFB)

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**From:** Sigurdson, Jeff (CFB)  
**Sent:** Wednesday, August 29, 2018 1:23 PM  
**To:** Pope, Jodi (CFB)  
**Subject:** FW: Commitment filing

Jeff Sigurdson  
Executive Director  
Minnesota Campaign Finance and Public Disclosure Board  
651-539-1189

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**From:** Martin Conroy <martinconroy88@gmail.com>  
**Sent:** Wednesday, August 29, 2018 11:41 AM  
**To:** Sigurdson, Jeff (CFB) <jeff.sigurdson@state.mn.us>  
**Subject:** Re: Commitment filing

Jeff,

Per the attached and below email, I am requesting waiver of the \$100 late fee.

Respectfully,

Martin

# Campaign Finance and Public Disclosure Board

190 Centennial Office Bldg, 658 Cedar St, St Paul, MN 55155

August 15, 2018

Martin Conroy  
Lois Conroy for Judge  
5044 17th Ave S  
Minneapolis, MN 55417

RE: Report of Receipts and Expenditures due on July 30, 2018  
Reg. No.: 17539

Dear Martin Conroy,

Your Report of Receipts and Expenditures due on July 30, 2018 was filed with the Public Disclosure Board on Wednesday, August 01, 2018. Because your filing fee of \$100.00 has accrued.

Please mail or deliver a check for \$100.00 payable to the State above. Under Minnesota Statute, all fees are deposited in the

The Board may reduce or waive late filing fees upon written request. You must explain in detail the reasons why the Board should waive or reduce the fee. Send the request to our office using the contact information in this letter. Your request will be reviewed by the Board at the next scheduled meeting. If you have any questions about this letter or the assessment of your

Sincerely,

On Aug 3, 2018, at 8:02 AM, Sigurdson, Jeff (CFB) <[jeff.sigurdson@state.mn.us](mailto:jeff.sigurdson@state.mn.us)> wrote:

Martin,

Yes, the report was received.

Jeff Sigurdson  
Executive Director  
Minnesota Campaign Finance and Public Disclosure Board  
651-539-1189

From: Martin Conroy <[martinconroy8@gmail.com](mailto:martinconroy8@gmail.com)>  
Sent: Thursday, August 02, 2018 4:20 PM  
To: Sigurdson, Jeff (CFB) <[jeff.sigurdson@state.mn.us](mailto:jeff.sigurdson@state.mn.us)>  
Subject: Commitment filing

Jeff,

On Aug 3, 2018, at 8:02 AM, Sigurdson, Jeff (CFB) <[jeff.sigurdson@state.mn.us](mailto:jeff.sigurdson@state.mn.us)> wrote:

Martin,

Yes, the report was received.

Jeff Sigurdson  
Executive Director  
Minnesota Campaign Finance and Public Disclosure Board  
651-539-1189

---

**From:** Martin Conroy <[martinconroy88@gmail.com](mailto:martinconroy88@gmail.com)>  
**Sent:** Thursday, August 02, 2018 4:20 PM  
**To:** Sigurdson, Jeff (CFB) <[jeff.sigurdson@state.mn.us](mailto:jeff.sigurdson@state.mn.us)>  
**Subject:** Commitment filing

Jeff,

Can you confirm MNCFB received the attached?

Thanks,

Martin

Sent from my iPhone

Begin forwarded message:

**From:** Martin Conroy <[martinconroy88@gmail.com](mailto:martinconroy88@gmail.com)>  
**Date:** August 1, 2018 at 1:14:15 PM CDT  
**To:** [cf.board@state.mn.us](mailto:cf.board@state.mn.us)  
**Subject:** [Tiny Scanner] Doc Aug 01, 2018, 13:12

Sent from my iPhone



## Engelhardt, Megan (CFB)

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**From:** Julian Dahlquist <jukee1647@gmail.com>  
**Sent:** Wednesday, August 22, 2018 4:57 PM  
**To:** Engelhardt, Megan (CFB); CFBEmail  
**Subject:** Re: Senate District 4 Report (Request for late fee waiver)

Dear Megan/Board:

I am writing to request a waiver of the late fees applied to the 4th Senate District DFL. I am no longer the treasurer for SD 4 DFL, though it appears the current administration did not file the updated paperwork. Upon receiving an urgent voicemail on July 30th from a CFB employee stating SD4 DFL's report had not been filed, I then sent an email that same day stating our balanced hadn't changed. As there was no change to our finances, I was under the impression an email from me was sufficient. However, on August 6th, Melissa Stevens emailed me stating a "no change report" still needed to be filed, which I filled out and submitted immediately that day. I humbly request that the CFB waive our late fees totaling \$250.

Respectfully submitted,

--

-Julian Dahlquist

**From:** [Walter Roberts](#)  
**To:** [Pope, Jodi \(CFB\)](#); [Engelhardt, Megan \(CFB\)](#)  
**Subject:** Late Filing MSCA #30675  
**Date:** Thursday, August 09, 2018 4:09:22 PM

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## Campaign Finance & Public Disclosure Board

The July 30 report is being filed late. I returned from an out-of-state trip on August 8th to find the mailing in FWed mail. I spoke with CFPDB staff this afternoon who advised me to send this email asap along with the report that will be mailed on August 10th.

This is a formal request that MSCA be granted a waiver from penalties due to the late filing. To date, all reports since the creation of the PAC have been filed on time, if not before.

Please note that the MSCA PAC will have a new treasurer in the near future. I have moved out of state and will be working with the new PAC treasurer when appointed to transition her/him into that new role. Also, please note that I have changed the mailing address on this report for the MSCA PAC to my current address: 647 Drury Road, Kirbyville MO 65679. Until formal notice and filing of paperwork, I will continue to complete all CFPDB reports at the Missouri address.

Thank you for your time and consideration of this matter. If you have any questions, please do not hesitate to ask. My cell is 507-381-0156.

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WBR Educational Consultation  
[wbrconsultation@gmail.com](mailto:wbrconsultation@gmail.com)

**From:** [Stevens, Melissa \(CFB\)](#)  
**To:** [Pope, Jodi \(CFB\)](#); [Engelhardt, Megan \(CFB\)](#)  
**Subject:** FW: \$100 Fine  
**Date:** Monday, August 20, 2018 12:11:09 PM

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**From:** David Pieper <pieperfarm@msn.com>  
**Sent:** Monday, August 20, 2018 12:07 PM  
**To:** Stevens, Melissa (CFB) <melissa.stevens@state.mn.us>  
**Subject:** \$100 Fine

The Houston County Republicans would like to ask for forgiveness on our tardiness on the last report. I was unable to submit on time because of a donation from Greg Davids. If you could check on it to make sure it was reported correctly on both sides I would appreciate it. I was unable to find him in the system, and wanted to make sure I reported it correctly.

Thanks for your consideration!

**David P Pieper**  
Houston County BPOU Treasurer  
137 E Main Street  
Caledonia, MN 55921  
Office (507) 724-3863  
Cell (507) 272-4864

**From:** [Engelhardt, Megan \(CFB\)](#)  
**To:** [Marty Schulenberg](#)  
**Cc:** [Pope, Jodi \(CFB\)](#)  
**Subject:** RE: POWER BY THE PEOPLE REPORT -JULY 30, 2018  
**Date:** Tuesday, August 21, 2018 10:57:12 AM

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Dear Marty,

We will put your waiver request on the agenda for the Board's September meeting. We will be in touch with you after the meeting to let you know what the Board has decided. Thank you.

Megan Engelhardt  
Assistant Executive Director  
Minnesota State Campaign Finance and Public Disclosure Board  
190 Centennial Building  
658 Cedar Street  
St. Paul, MN 55155-1603  
651-539-1182  
[Megan.Engelhardt@state.mn.us](mailto:Megan.Engelhardt@state.mn.us)

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**From:** Marty Schulenberg <[marty@sabriproperties.com](mailto:marty@sabriproperties.com)>  
**Sent:** Tuesday, August 21, 2018 10:52 AM  
**To:** Engelhardt, Megan (CFB) <[megan.engelhardt@state.mn.us](mailto:megan.engelhardt@state.mn.us)>  
**Subject:** Re: POWER BY THE PEOPLE REPORT -JULY 30, 2018

Thank you for getting back to me Megan,

The reason this report was late 3 days was because I failed to check the mail on time and when I did on the 2nd I did it immediately. I ask that you please consider waiving the fee since this is our first offense, with the assurance that it will not happen again.

Sincerely,  
M

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**From:** Engelhardt, Megan (CFB) <[megan.engelhardt@state.mn.us](mailto:megan.engelhardt@state.mn.us)>  
**Sent:** Tuesday, August 21, 2018 10:41:42 AM  
**To:** Marty Schulenberg  
**Subject:** RE: POWER BY THE PEOPLE REPORT -JULY 30, 2018

[Marty,](#)



**CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD**  
**September, 2018**

**ACTIVE FILES**

| Candidate/Treasurer/<br>Lobbyist | Committee/Agency                 | Report Missing/<br>Violation  | Late Fee/<br>Civil Penalty              | Referred<br>to AGO | Date S&C<br>Served<br>by Mail | Default<br>Hearing<br>Date | Date<br>Judgment<br>Entered | Case Status                |
|----------------------------------|----------------------------------|---|---|--------------------|-------------------------------|----------------------------|-----------------------------|----------------------------|
| Chilah Brown<br>Michele Berger   | Brown (Chilah) for<br>Senate     | Unfiled 2016 Year-<br>End Report of<br>Receipts and<br>Expenditures<br><br>Unpaid late filing<br>fee on 10/31/16 Pre-<br>General Election<br>Report | \$1,000 LF<br>\$1,000 CP<br><br>\$50 LF | 3/6/18             |                               |                            |                             |                            |
| Roxana Bruins                    | Roxana Bruins for<br>Senate      | Unfiled 2016 Year-<br>End Report of<br>Receipts and<br>Expenditures   | \$1,000 LF<br>\$1,000 CP                | 7/28/17            | 9/6/17                        | 8/17/18                    | 8/20/18                     |                            |
| Brenden Ellingboe                | Ellingboe (Brenden)<br>for House | Unfiled 2015 Year-<br>End Report of<br>Receipts and<br>Expenditures   | \$1,000 LF<br>\$1,000 CP                | 11/29/16           | 5/26/17                       |                            |                             | Hold by Board              |
| Katy Humphrey,<br>Kelli Latuska  | Duluth DFL                       | Unfiled 2016 Year-<br>End Report of<br>Receipts and<br>Expenditures   | \$1,000 LF<br>\$1,000 CP                | 3/6/18             |                               |                            |                             |                            |
| Christopher John<br>Meyer        | Meyer for<br>Minnesota           | 2016 Year-End<br>Report of Receipts<br>and Expenditures   | \$1,000 LF<br>\$1,000 CP                | 7/28/17            | 9/6/17                        |                            |                             | Placed on hold<br>by Board |

