

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

**Findings and Order in the Matter of a Contribution to the 8th Congressional District DFL
Committee from the Klun Law Firm**

Summary of the Facts

Pursuant to Minnesota Statutes, section 10A.27, subdivision 13, candidates, political party units, and political committees registered with the Campaign Finance and Public Disclosure Board (the Board) may not accept a contribution in excess of \$100 from an association that is not registered with the Board unless the contribution is accompanied by financial disclosure of the donating association's receipts and expenditures in the form specified by statute. Acceptance of a contribution in excess of \$100 without the required disclosure is punishable by civil penalty of up to four times the amount of the contribution over \$100.

An unregistered association that makes a contribution of more than \$100 without the required disclosure is in violation of Minnesota Statutes, section 10A.27, subdivision 13(b). Failure to provide the appropriate disclosure with a contribution of more than \$100 is punishable by civil penalty of up to \$1,000.

In the 2011 Report of Receipts and Expenditures filed with the Board, the 8th Congressional District DFL Committee disclosed receipt of a contribution on February 28, 2011, in the amount of \$150 from Klun Law Firm, an association not registered with the Board. No financial disclosure was provided with the contribution. The contribution was not returned within sixty days, and is therefore considered accepted under the provisions of Minnesota Statutes, section 10A.15, subdivision 3.

In response to a Board inquiry, Cathy Daniels, treasurer of the 8th Congressional District DFL stated, "The check from...Klun Law Firm was for 3 - \$50.00 dinner tickets to the Oberstar appreciation dinner on February 28, 2011 at the Duluth DEC."

On February 28, 2012, Kelly Klun responded that the law firm issued a check for a tribute dinner to Jim Oberstar. She states, "I misunderstood that these fees were for a fundraiser, and not fees associated with attending the dinner." On March 2, 2012, Ms. Klun submitted a check for \$50 to be applied toward an anticipated civil penalty.

Board records show that the 8th Congressional District DFL Committee has been issued findings for four previous violations of Minnesota Statutes, section 10A.27, subdivision 13. The first violation occurred in 2006, two violations occurred in 2007, and a further violation occurred in 2008.

This matter was considered by the Board in executive session on April 3, 2012. The Board's decision is based on the correspondence received from Cathy Daniels and Kelly Klun and on Board records.

Board Analysis

Purchasing a ticket to a fundraiser is a contribution to the organization holding the event. Tickets to fundraising events are classified and reported as contributions under Minnesota Statutes, section 10A.20, subdivision 3(b).

Based on the information outlined in the above Summary of the Facts and Relevant Statutes, the Board makes the following:

Findings Concerning Probable Cause

1. There is probable cause to believe that the 8th Congressional District DFL Committee violated Minnesota Statutes, section 10A.27, subdivision 13, when it accepted a contribution in excess of \$100 from an unregistered association without receiving the appropriate disclosure with the contribution.
2. There is probable cause to believe that the Klun Law Firm violated Minnesota Statutes, section 10A.27, subdivision 13 (b), when it made a contribution in excess of \$100 without providing the required disclosure.
3. There is no probable cause to believe that the violations by the 8th Congressional District DFL Committee or the Klun Law Firm were intentional, or were done with the intent to circumvent the provisions of Chapter 10A.

Based on the above Findings Concerning Probable Cause, the Board issues the following:

ORDER

1. The Board imposes a civil penalty of \$200, four times the amount by which the contribution exceeded \$100, on the 8th Congressional District DFL for accepting and depositing a contribution from an unregistered association without the disclosure required by Minnesota Statutes, section 10A.27, subdivision 13. The amount of the penalty recognizes that the 8th Congressional District DFL has violated this provision in three other years.
2. The 8th Congressional District DFL is directed to forward to the Board payment of the civil penalty by check or money order payable to the State of Minnesota within thirty days of receipt of this order.
3. The 8th Congressional District DFL is directed to refund \$50 to the Klun Law Firm and forward to the Board a copy of the check used to return the excess contribution within thirty days of receipt of this order.
4. The Board imposes a civil penalty of \$50 on the Klun Law Firm for making a contribution in excess of \$100 to a party unit without the disclosure required by Minnesota Statutes, section 10A.27, subdivision 13 (b). The payment by the Klun Law Firm submitted to the Board on March 2, 2012, shall be, and hereby is, applied in satisfaction of this civil penalty.
5. If the 8th Congressional District DFL does not comply with the provisions of this order, the Board's Executive Director may request that the Attorney General bring an action for the remedies available under Minnesota Statutes, section 10A.34.

6. The Board investigation of this matter is hereby made a part of the public records of the Board pursuant to Minnesota Statutes, section 10A.02, subdivision 11, and upon payment by the civil penalties imposed herein, this matter is concluded.

Dated: April 3, 2012

/s/ Greg McCullough
Greg McCullough, Chair
Campaign Finance and Public Disclosure Board

Relevant Statutes

10A.27, subdivision 13. Unregistered association limit; statement; penalty. (a) The treasurer of a political committee, political fund, principal campaign committee, or party unit must not accept a contribution of more than \$100 from an association not registered under this chapter unless the contribution is accompanied by a written statement that meets the disclosure and reporting period requirements imposed by section 10A.20. This statement must be certified as true and correct by an officer of the contributing association. The committee, fund, or party unit that accepts the contribution must include a copy of the statement with the report that discloses the contribution to the board. This subdivision does not apply when a national political party contributes money to its affiliate in this state.

(b) An unregistered association may provide the written statement required by this subdivision to no more than three committees, funds, or party units in a calendar year. Each statement must cover at least the 30 days immediately preceding and including the date on which the contribution was made. An unregistered association or an officer of it is subject to a civil penalty imposed by the board of up to \$1,000, if the association or its officer:

(1) fails to provide a written statement as required by this subdivision; or

(2) fails to register after giving the written statement required by this subdivision to more than three committees, funds, or party units in a calendar year.

(c) The treasurer of a political committee, political fund, principal campaign committee, or party unit who accepts a contribution in excess of \$100 from an unregistered association without the required written disclosure statement is subject to a civil penalty up to four times the amount in excess of \$100.