

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

**Findings and Order in the Matter of Contributions to the Polk County DFL Committee
from the Northern Valley Labor Council and Education Minnesota Western-North**

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 year-end Report of Receipts and Expenditures filed with the Board, the Polk County DFL Committee (the Committee) disclosed receipt of a contribution on January 14, 2011, in the amount of \$200 from the Northern Valley Labor Council and on January 16, 2011, in the amount of \$300 from Education Minnesota Western-North, associations not registered with the Board. No financial disclosure was provided with the contributions. The contributions were not returned within sixty days, and are therefore considered accepted under the provisions of Minnesota Statutes section 10A.15, subdivision 3.

In response to a Board inquiry, Charlie Murphy, treasurer of the Committee, states that, "We had a fundraiser early in 2011 with Bernie Lieder as our featured guest. He was ending his long term in the state house and we were honoring him and having a Polk DFL Fundraiser with Bernie as our draw."

In a letter dated July 12, 2012, Mark Froemke, president, and Wayne Burlog, treasurer, of the Northern Valley Labor Council, responded that the check was written with the understanding that the funds would be used to defray the costs of the retirement event for Representative Lieder. The letter states, "The Northern Valley Labor Council, AFL-CIO, has not, and will not make contributions to any political party, candidate or entity." A copy of the check issued by the Northern Valley Labor Council for the event was provided with the response. The check is made payable to the "Bernie Lieder Retirement Fund."

In an email received June 30, 2012, Kim Davidson, Education Minnesota Western-North, responded that it was her understanding they were purchasing tickets for a retirement dinner for Representative Lieder, and that at no time did they believe that the event was a fundraiser for the Committee. A copy of the check used by Education Minnesota Western-North to purchase tickets was provided to the Board. The check is made payable to the "Lieder Recognition."

Staff contacted Ms. Davidson and Mr. Froemke by phone and inquired how they were approached to participate in the event. Both responded that they thought individuals were organizing the event.

This matter was considered by the Board in executive session on October 2, 2012. The Board's decision is based on the correspondence received from Mr. Murphy, Mr. Froemke, Mr. Burlog, and Ms. Davidson and on Board records.

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

Findings Concerning Probable Cause

1. There is probable cause to believe that the Polk County DFL Committee violated Minnesota Statutes section 10A.27, subdivision 13, when it accepted a contribution in excess of \$100 from two unregistered associations without receiving the appropriate disclosure with the contributions.
2. There is probable cause to believe that the Northern Valley Labor Council and Education Minnesota Western-North violated Minnesota Statutes section 10A.27, subdivision 13 (b), when they made contributions in excess of \$100 without providing the required disclosure.
3. There is probable cause to believe that Northern Valley Labor Council and Education Minnesota Western-North were unaware that they were contributing to the Polk County DFL Committee when they issued checks to attend the event for Representative Lieder.
4. There is no probable cause to believe that the violations by the Polk County DFL Committee, the Northern Valley Labor Council or Education Minnesota Western-North 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 \$300, one times the amount by which the contributions from the Northern Valley Labor Council and Education Minnesota Western-North cumulatively exceeded \$100, on the Polk County DFL Committee for accepting and depositing contributions from unregistered associations without the disclosure required by Minnesota Statutes section 10A.27, subdivision 13.
2. The Polk County DFL Committee 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 Polk County DFL Committee is directed to refund \$100 to the Northern Valley Labor Council and \$200 to Education Minnesota Western-North and forward to the Board copies of the checks used to return the excess contributions within thirty days of receipt of this order.
4. The Board imposes no civil penalty on the Northern Valley Labor Council or Education Minnesota Western-North for making contributions to the Polk County DFL Committee in excess of \$100 without the disclosure required by Minnesota Statutes section 10A.27, subdivision 13.

5. If the Polk County DFL Committee 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 of the civil penalties imposed herein, this matter is concluded.

Dated: October 2, 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.