

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

**Findings and Order in the Matter of the Complaint of James Carson  
regarding the Greg Copeland for Senate committee.**

**The Allegations in the Complaint**

On April 27, 2012, James Carson filed a complaint with the Campaign Finance and Public Disclosure Board regarding the Greg Copeland for Senate committee. This complaint alleges that in 2010, the Copeland committee violated Chapter 10A by not recording the names and addresses of people who gave the committee more than \$20. The complaint also alleges that the Copeland committee did not raise the \$3,000 in small contributions necessary to qualify for public subsidy funds.

Mr. Carson bases these two allegations on a report that he received from a third party who had asked the Copeland committee for a donor list and had been told that the committee had no such list because all of its contributions were for \$20 or less. As an experienced campaign manager, Mr. Carson was “incredulous” that a campaign committee would not record the name and address of every single donor or that a candidate could raise “over \$3,000 in \$20 and less increments from over 150 individual separate donors.”

The complaint also alleges that in 2010, the Copeland committee did not actually purchase lawn signs that it reported as an expenditure and, instead, used these funds for other purposes. Mr. Carson bases this allegation on the fact that “nobody could recall ever seeing a [Copeland] sign in the field during the 2010 campaign.”

In addition, in May 2012, the Copeland committee had not yet submitted a complete year-end report of receipts and expenditures for 2011 or a complete report for a special election held in the spring of 2011. Consequently, at its May 18, 2012, meeting, the Board expanded the scope of the investigation to include all of the committee’s financial activities to determine if there were other violations of Chapter 10A.

**The Investigation**

In July 2010, the Board began conducting targeted audits of the contribution records of candidates who raised only slightly more than the amount required to qualify for public subsidy funds. In 2010, a candidate for the state senate needed to raise \$3,000 in contributions of \$50 or less to qualify for public subsidy. Board staff conducted audits of candidates who raised less than \$3,300, which was 10% more than the amount required to qualify for public subsidy funds. The Copeland committee reported raising \$3,140. Board staff therefore audited the Copeland committee’s contribution records.

In response to the Board's audit request, the Copeland committee submitted the names and addresses of the four people who had contributed more than \$20. The largest contribution that the committee had received was for \$50. The committee stated that its remaining contributions "were made by individuals in amounts of \$20.00 or less in cash." The committee also submitted bank records showing that it had a balance of \$3,140 on August 23, 2010. Based on these records, Board staff concluded that the Copeland committee had met the threshold necessary to qualify for public subsidy funds.

On May 30, 2012, Mr. Copeland submitted a response to the Carson complaint. The response referred to the list of contributor names and addresses that the committee had submitted for the 2010 audit. The response also included the committee's bank records and receipts for many of its financial transactions. Pursuant to Mr. Copeland's release, the Board also obtained copies of the committee's cancelled checks and deposit slips.

This information showed that in July 2010, the Copeland committee opened a bank account and, at the end of the month, the balance in the account was \$3,140. The money in the account came from three checks that totaled \$55 and a \$3,085 cash deposit. Two of the deposited checks were from people whose names and addresses had been included on the list of donors that the committee submitted to the Board in July 2010. The other check was for \$20.

The committee's bank records also showed that the committee had received one additional contribution of \$57.90 on October 25, 2010. The committee had the name and address of this contributor.

On its 2010 year-end report, the Copeland committee listed a \$4,338.60 payment to Premier Signs in October for signs, stands, artwork, and banners. The committee's bank records included a canceled check written to Premier Signs in October 2010 for \$4,338.60. The committee included a copy of an October invoice from Premier Signs and Welding in its response to the complaint. The copy of the invoice shows the design used on the lawn signs and states that the cost for 500 signs, 1000 posts, artwork, and a banner was \$4,338.56.

During the investigation, Board staff spoke with the owner of Premier Signs, John Wykoff. Mr. Wykoff confirmed that in October 2010, he had designed lawn signs and a banner for the Copeland committee and that his company had made the banner. He had subcontracted the actual printing of the lawn signs, however, to a company called Screen Tech. Mr. Wykoff had taken his design to Screen Tech and worked with that company to make sure that the signs were printed correctly. When the signs were ready, Mr. Wykoff paid for them and then delivered them to the Copeland committee. Mr. Wykoff confirmed that the Copeland committee had actually paid Premier Signs for its work.

The Copeland committee's response to the complaint also included a copy of an October 2010 invoice from Screen Tech to Premier Signs for 500 lawn signs and 1000 sign posts. Board staff spoke with the owner of Screen Tech who confirmed that in October 2010, Mr. Wykoff had

brought in a design for the Copeland lawn signs, Screen Tech had printed the signs, and Mr. Wykoff had paid for the signs.

On April 12, 2011, there was a special election held for the seat in Senate District 66. Mr. Copeland was a candidate in this election and the Greg Copeland for Senate committee was his principal campaign committee. The Copeland committee therefore was required to submit periodic reports of receipts and expenditures for the special election cycle, including a final report that was due on June 21, 2011. The committee also was required to submit a 2011 year-end report. The committee submitted both of these reports.

When Board staff compared the committee's 2011 reports to the financial records that the committee had submitted in response to the complaint, however, staff found numerous discrepancies and omissions that could not be resolved. The Board therefore notified the Copeland committee on August 13, 2012, that it needed to amend both its final special election report and its 2011 year-end report to reflect its actual financial transactions. Every month for the rest of the year, the Board sent notice to the Copeland committee reminding the committee that it needed to amend its reports. The committee submitted these amended reports on January 31, 2013.

Comparing the amended reports to the committee's financial records showed that the amended reports accurately reflected the committee's 2011 financial transactions.

### **Board Analysis**

The Board has the authority to investigate all reports filed with it under Minnesota Statutes Chapter 10A. When the Board accepts a complaint, it exercises that authority to investigate all possible violations of Chapter 10A that might arise from the conduct alleged in the complaint or from the reports under review regardless of whether the complainant clearly and specifically raised those violations in the complaint.

The first allegation in the complaint is that in 2010, the Copeland committee failed to record the names and addresses of the people who gave the committee more than \$20. Minnesota Statutes section 10A.13, subdivision 1, requires a candidate's committee to record "the name and address of each source of a contribution made to the committee . . . in excess of \$20, together with the date and amount of each."

The records submitted by the Copeland committee for the audit in July 2010 and in response to the complaint show that the committee received only five contributions that exceeded \$20. These records also show that the committee recorded the names and addresses of these contributors. In addition, in its responses to the brief audit in July 2010 and to the current complaint, the Copeland committee has consistently maintained that nearly all of its contributions were made by individuals who gave \$20 or less. Given this evidence, there is no probable cause to conclude that the Copeland committee failed to record the names and addresses of donors who contributed more than \$20.

The complaint next alleges that the Copeland committee did not raise the \$3,000 in small contributions necessary to qualify for public subsidy funds because it could not have collected this large amount in contributions of \$20 or less. Minnesota Statutes section 10A.323 provides that to receive public subsidy funds, a candidate for state senate must raise \$3,000 from people eligible to vote in Minnesota. The statute further provides that only the first \$50 of a contribution can be counted toward the \$3,000 threshold.

The records submitted by the Copeland committee for the audit in July 2010 and in response to the complaint show that the committee raised \$3,140. These records also provide support for the committee's long-standing claim that this money was raised almost exclusively from individuals who gave \$20 or less. There being no other evidence to the contrary, there is no probable cause to find that the Copeland committee failed to raise the \$3,000 necessary to qualify for public subsidy funds.

The complaint finally alleges that the Copeland committee did not actually purchase lawn signs that it reported as expenditures on its 2010 year-end report and, instead, used this money for other purposes. See Minn. Stat. § 10A.025, subd. 2 (individual who signs report knowing it contains false information is guilty of a gross misdemeanor and subject to civil penalty). The record, however, contains a cancelled check showing payment for the signs, invoices from the two companies that produced the signs, and statements from the owners of those companies that the invoiced work was actually done and paid for. Because this evidence shows that the Copeland committee actually purchased the signs at issue, there is no probable cause here to support the third allegation in the complaint.

Finally, when the Copeland committee failed to submit complete reports for its activities in 2011, the Board expanded its investigation in this case to include all of the committee's financial activities. On January 31, 2013, the Copeland committee submitted complete reports of its 2011 financial activities. These reports produced no evidence of other violations of Chapter 10A by the Copeland committee in 2011.

**Based on the evidence before it and the above analysis the Board makes the following:**

#### **Findings Concerning Probable Cause**

1. There is no probable cause to find that the Greg Copeland for Senate committee failed to record the names and addresses of people who contributed more than \$20 to the committee.
2. There is no probable cause to find that the Greg Copeland for Senate committee failed to raise the \$3,000 in small contributions necessary to qualify for public subsidy funds.
3. There is no probable cause to find that the Greg Copeland for Senate committee did not purchase lawn signs reported as an expenditure on its 2010 year-end report.

4. There is no probable cause to find that the Greg Copeland for Senate committee had other violations of Chapter 10A in 2011.

**Based on the above Findings, the Board issues the following:**

**ORDER**

The Board investigation of this matter is concluded and hereby made a part of the public records of the Board pursuant to Minnesota Statutes section 10A.02, subdivision 11.

Dated: March 5, 2013

/s/ Andrew M. Luger

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Andrew M. Luger, Chair  
Campaign Finance and Public Disclosure Board

**Relevant Statutes**

**Minn. Stat. § 10A.025, subd. 2. Penalty for false statements.** A report or statement required to be filed under this chapter must be signed and certified as true by the individual required to file the report. The signature may be an electronic signature consisting of a password assigned by the board. An individual who signs and certifies to be true a report or statement knowing it contains false information or who knowingly omits required information is guilty of a gross misdemeanor and subject to a civil penalty imposed by the board of up to \$3,000.

**Minn. Stat. § 10A.13, subd. 1. Accounts; penalty.** The treasurer of a political committee, political fund, principal campaign committee, or party unit must keep an account of:

....

(2) the name and address of each source of a contribution made to the committee, fund, or party unit in excess of \$20, together with the date and amount of each;

....

**Minn. Stat. § 10A.323 Affidavit of Contributions.** In addition to the requirements of section 10A.322, to be eligible to receive a public subsidy under section 10A.31 a candidate or the candidate's treasurer must file an affidavit with the board stating that between January 1 of the previous year and the cutoff date for transactions included in the report of receipts and expenditures due before the primary election the candidate has accumulated contributions from persons eligible to vote in this state in at least the amount indicated for the office sought, counting only the first \$50 received from each contributor:

....

(4) candidates for the senate, \$3,000; . . .

....

The affidavit must state the total amount of contributions that have been received from persons eligible to vote in this state, disregarding the portion of any contribution in excess of \$50.

....