STATE OF MINNESOTA CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD

FINDINGS, CONCLUSIONS, AND ORDER IN THE MATTER OF THE COMPLAINT OF THE MINNESOTA JOBS COALITION REGARDING ROBIN BROWN AND ROBIN BROWN FOR MINNESOTA

On August 25, 2016, the Campaign Finance and Public Disclosure Board received a complaint submitted by Kevin Magnuson on behalf of the Minnesota Jobs Coalition regarding Gary Schindler, Schindler (Gary) for House, Robin Brown, Robin Brown for Minnesota, and Wedgewood Peruvian Pasos. The Schindler (Gary) for House committee is the principal campaign committee of Gary Schindler for the seat in the House of Representatives for district 27A. The Robin Brown for Minnesota committee is the now-terminated principal campaign committee of Robin Brown for the seat in the House of Representatives for district 27A.

The complaint alleged three violations. First, Robin Brown wrote a check from Wedgewood Peruvian Pasos, a business that she owns and operates, that was reported by both the donor and the recipient as a contribution from the Robin Brown for Minnesota committee to the Schindler for House committee. If the funds were from the Robin Brown for Minnesota committee, then those funds had been commingled with other funds in violation of Minnesota Statutes section 10A.11, subdivision 5. Second, the contribution from Wedgewood Peruvian Pasos to the Schindler for House committee was a prohibited corporate contribution in violation of Minnesota and Schindler for House committees, and their respective candidates, filed false campaign finance reports by listing the contribution as being from Robin Brown for Minnesota when it was instead made by Wedgewood Peruvian Pasos, in violation of Minnesota Statutes section 2.

On August 29, 2016, the chair determined that the complaint and its attachments stated a prima facie violation of the commingling, corporate contribution, and false campaign finance reports provisions. On August 29, 2016, the Board received a response from the Brown committee. On September 22, 2016, Gary Schindler also submitted a response for consideration at the probable cause hearing.

The response submitted by the Brown committee stated the following: (1) Wedgewood Peruvian Pasos has never been an incorporated business; (2) the Brown committee's campaign funds were placed into the bank account of "Wedgewood Peruvian Pasos; Robin K Brown or Joseph Brown," an account for horse-related expenditures, when the candidate and her husband (who was treasurer to the committee) closed the campaign account to combine three separate accounts into two accounts; and (3) the check from the Wedgewood account to the Schindler committee was for exactly the remaining funds of the campaign as reported on the termination report for the Brown committee.

The Schindler committee provided evidence that the committee had good reason to believe that the contribution was from the Robin Brown for Minnesota committee.

Based on the evidence submitted by the parties, the Board found that probable cause did not exist to believe that either committee or Wedgewood Peruvian Pasos violated the corporate contribution prohibition of Minnesota Statutes section 211B.15, and that allegation was dismissed. The Board also found that probable cause did not exist to believe that either committee filed false campaign finance reports. That allegation was also dismissed. Only Robin Brown and Robin Brown for Minnesota remained as respondents after these two allegations were dismissed.

The Board found that probable cause existed to believe that Robin Brown for Minnesota commingled committee funds with personal funds in violation of Minnesota Statutes section 10A.11, subdivision 5. An investigation was ordered on that remaining issue.

The Board received a letter from Robin Brown for Minnesota on October 19, 2016, further explaining the commingling issue. After restating certain information contained in the response of August 28, Joseph Brown, treasurer for Robin Brown for Minnesota, acknowledged that he commingled campaign funds with personal funds.

In a follow-up email on October 31, 2016, Mr. Brown stated that the funds had not actually been transferred into the personal account in one transaction at the close of the committee account, as implied in previous communications, but that multiple transfers and commingling events had occurred between the committee and personal accounts.

Analysis

Minnesota Statutes section 10A.11, subdivision 5, states that a "principal campaign committee . . . may not commingle its funds with personal funds of officers, members, or associates of the committee." Mr. Brown, treasurer for Robin Brown for Minnesota, admitted to commingling the committee's funds with personal funds belonging to him and Robin Brown on multiple instances.

Based on the above analysis, the Board makes the following:

Finding of fact

Joseph Brown, as treasurer for Robin Brown for Minnesota, and Robin Brown commingled the committee's funds with personal funds on multiple instances.

Based on the analysis and the finding of fact, the Board makes the following:

Conclusion of law

Joseph Brown and Robin Brown violated Minnesota Statutes section 10A.11, subdivision 5, by commingling principal campaign committee funds with personal funds on multiple instances.

Based on the analysis, finding of fact, and conclusion of law, the Board issues the following:

Order

- 1. A civil penalty in the amount of \$1,000 is assessed against Joseph Brown and Robin Brown for commingling campaign funds with personal funds in violation of Minnesota Statutes section 10A.11, subdivision 5.
- 2. Joseph Brown and Robin Brown are directed to forward to the Board payment of the civil penalty, by check or money order payable to the State of Minnesota, within 30 days of receipt of this order.
- 3. If Joseph Brown and Robin Brown do not comply with the provisions of this order, the Board's executive director may request that the attorney general bring an action on behalf of the Board for the remedies available under Minnesota Statutes section 10A.34.
- 4. 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.022, subdivision 5.

<u>/s/ Daniel N. Rosen</u> Daniel N. Rosen, Chair Campaign Finance and Public Disclosure Board Date: November 10, 2016