

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

**FINDINGS OF FACT,
CONCLUSIONS OF LAW,
AND ORDER**

In the Matter of Vote Jerry Loud (Registration No. 18017);

Minnesota Statutes section 10A.28, subdivision 3, provides that the Minnesota Campaign Finance and Public Disclosure Board must attempt to resolve a violation of the contribution limits “by informal methods of conference and conciliation and . . . enter into a conciliation agreement with the person involved.” If after a reasonable time, the Board is unable to resolve the matter by conciliation agreement, the Board must make findings in the matter.

At its March 7, 2018, meeting, the Board agreed to offer a conciliation agreement to candidate Jerry Loud and his principal campaign committee, Vote Jerry Loud. The Board offered the agreement to resolve the committee’s violation of the party unit contribution limit during the 2015-2016 election segment.

Board staff had discovered during the routine reconciliation audit of the 2016 year-end reports that the Loud committee had not reported two in-kind contributions from party units. These contributions were valued at \$450 and \$500. In discussions with Board staff, the committee explained that it had not reported these items because the committee did not realize that the provided web design services and voter file access were contributions.

The committee amended its 2016 year-end report to include the in-kind contributions, but incorrectly stated that the voter file access was a cash contribution. The report showed that the committee had accepted \$10,950 in contributions from political party units and terminating candidate committees. This amount exceeded the \$10,000 limit on contributions from these sources for the 2015-2016 election segment by \$950. The \$950 that exceeded the limit was not returned within 90 days and was therefore deemed accepted under Minnesota Statutes section 10A.15, subdivision 3.

The offered conciliation agreement imposed a civil penalty of \$950 on the committee. Of this penalty, \$250 was due within 30 days of the date that the agreement was signed by both parties. The remaining \$700 was stayed and then waived if the committee did not violate the party unit limit again before January 1, 2019. The offered agreement also required the committee to return \$950 to party unit contributors and to amend its 2016 report to correctly disclose the in-kind contributions and a related in-kind contribution from the candidate.

After the March meeting, Board staff sent the proposed conciliation agreement to candidate Loud and asked him to indicate his acceptance of the agreement by signing the document and returning it to the Board. As of May 2, 2018, candidate Loud had not returned the offered

conciliation agreement nor contacted Board staff to make another proposal to resolve the matter informally.

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

Findings of Fact

1. The Vote Jerry Loud committee accepted \$10,950 in contributions from political party units and terminating candidate committees during the 2015-2016 election segment.
2. The Vote Jerry Loud committee did not return \$950 to political party units within 90 days of receipt.
3. The Board offered candidate Loud and the committee a conciliation agreement to resolve the contribution limit violation. Candidate Loud has not accepted the conciliation agreement offered by the Board to resolve this violation nor contacted Board staff to make another proposal to resolve the matter informally.

Conclusions of Law

1. The Vote Jerry Loud committee violated Minnesota Statutes section 10A.27, subdivision 2, by accepting \$950 in excess contributions from party units and terminating candidate committees during the 2015-2016 election segment.
2. Because candidate Loud has not accepted the conciliation agreement offered by the Board to resolve the contribution limit violation nor made another proposal to resolve the matter informally, the Board is unable to resolve the contribution limits violation informally and must make findings in the matter.

Based on the above Findings of Fact and Conclusions of Law, the Board issues the following:

Order

1. The Board's March 7, 2018, offer of a conciliation agreement to resolve the matter is revoked.
2. The Board orders the committee to do the following:
 - a. pay a civil penalty of \$950 by check or money order made payable to the State of Minnesota within 30 days of the date of this order;
 - b. return \$950 to party unit contributors and provide the Board with a copy of any checks used to return these funds;
 - c. amend its 2016 year-end report to show that the \$450 cash contribution from the Minnesota DFL State Central Committee actually was a \$450 in-kind contribution with the description "voter file access" and to show a corresponding \$450 in-kind expenditure to the Minnesota DFL State Central Committee for that access;

d. amend its 2016 year-end report to show a \$150 in-kind contribution from Jerry Loud with the description “voter file access” and to show a corresponding \$150 in-kind expenditure to Jerry Loud for that list to account for the portion of the voter access list that the candidate paid for and donated to the committee; and

e. amend its 2016 year-end report to show a \$500 in-kind expenditure to the Minnesota DFL House Caucus that corresponds to the \$500 in-kind contribution already on the report from that source.

3. If the committee does 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 (a).

Dated: May 2, 2018

s/ Carolyn Flynn

Carolyn Flynn, Chair
Campaign Finance and Public Disclosure Board