

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

CONCILIATION AGREEMENT

In the matter of the Doug Wardlow for Attorney General committee (18133);

1. The Doug Wardlow for Attorney General committee is the principal campaign committee of candidate Doug Wardlow. The candidate signed a public subsidy agreement on May 29, 2018, covering the 2017-2018 election segment and subjecting the committee to a spending limit over that same period. The base spending limit for a candidate for Attorney General was \$654,600, however the limit increased to \$864,072 with respect to the committee due to the candidate's status as a first-time candidate and having a closely contested primary election.
2. On its 2017 and 2018 year-end reports of receipts and expenditures, the committee reported that it had made \$907,186.38 in total campaign expenditures during the two-year period. Because noncampaign disbursements do not count against the spending limit, Board staff reviewed each report and discussed campaign expenditures that appeared to be misclassified as noncampaign disbursements, and vice versa, with legal counsel for the committee, Richard Morgan. That review disclosed \$2,416.64 in expenses reported as campaign expenditures that will be reclassified as noncampaign disbursements. The review also disclosed \$5,719.79 in expenses reported as noncampaign disbursements that must be reclassified as campaign expenditures. After accounting for those adjustments, the committee made a total of \$910,489.53 in campaign expenditures during the two-year period, exceeding the spending limit by \$46,417.53.
3. Mr. Morgan explained that the committee was overwhelmed by a surge in fundraising late in the campaign. Because the committee hired an outside firm to conduct much of its fundraising and compensation paid to that firm was based on the amount of receipts, the surge in fundraising caused both the committee's receipts and its costs to dramatically increase. The committee also spent over \$200,000 on radio and television ads in October 2018. Mr. Morgan explained that the committee did not anticipate the rapid increase in fundraising expenses and did not realize it would exceed the spending limit until after it had placed the ad buys for the final days of the campaign.
4. Board records show that this is the first instance in which the committee reported campaign expenditures that exceeded the spending limit. The committee registered with the Board on March 1, 2017.
5. The parties agree that the committee made excessive campaign expenditures in violation of Minnesota Statutes section 10A.25, subdivision 2, during the 2017-2018 election segment.

6. On behalf of the committee, the candidate also agrees to the imposition of a civil penalty in the amount of \$46,417.53, which represents one times the amount by which the committee's campaign expenditures exceeded the spending limit for the 2017 – 2018 election segment. The committee must pay \$10,000 of the civil penalty within 30 days of the date that the agreement is signed by both parties. The Board authorizes the executive director to establish a payment plan for the payment of the remaining civil penalty. The payment plan must be established within 30 days of the date the agreement is signed by both parties.

7. It is further understood and agreed that if the candidate does not comply with the provisions of this agreement, this matter may be reopened by the Board and the Board may take such actions as it deems appropriate.

/s/ Doug Wardlow
Doug Wardlow
Doug Wardlow for Attorney General

Dated: June 7, 2019

/s/ Margaret Leppik
Margaret Leppik, Chair
Campaign Finance and Public Disclosure Board

Dated: June 11, 2019