

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

CONCILIATION AGREEMENT

In the matter of Hainey (Shaun) for House (18295);

1. The Hainey (Shaun) for House committee is the principal campaign committee of candidate Shaun Hainey. The committee registered with the Board on March 22, 2018. On July 23, 2018, Mr. Hainey signed a public subsidy agreement for the 2017-2018 election cycle. Under Minnesota Statutes section 10A.27, subdivision 10, a house candidate who signs a public subsidy agreement may not contribute more than \$5,000 of personal funds to the candidate's own campaign committee during the two-year election cycle covered by the agreement. Minnesota Rules part 4503.0700 provides that contribution limits apply to the aggregate of money, donations in-kind, and outstanding loans. On its amended 2018 report, the Hainey committee reported receiving \$3,706.99 in cash contributions and \$1,815.24 in in-kind contributions from Mr. Hainey. The total of these contributions, \$5,522.23, exceeded the \$5,000 personal contribution limit for the 2017-2018 election cycle by \$522.23. The committee did not return the excess contributions to Mr. Hainey within 90 days.

2. In conversations with Board staff, Mr. Hainey agreed that he had exceeded the personal contribution limit. Mr. Hainey said that his treasurer had resigned for personal reasons in the middle of the campaign. Mr. Hainey then had to take over those duties without any training at a time when he was very busy campaigning. He said that he did not realize that he had exceeded the personal contribution limit until he prepared his 2018 year-end report. Mr. Hainey said that he plans to terminate his committee's registration after this matter is resolved.

3. The parties agree that the committee accepted excessive personal contributions from Mr. Hainey in violation of Minnesota Statutes section 10A.27, subdivision 10, during the 2017-2018 election cycle. This is the committee's first violation of the personal contribution limit.

4. To avoid a similar violation in the future, the committee agrees to:

- a. Ensure that whoever is serving as the committee's treasurer reviews and enters contributions, including those from the candidate, into the Campaign Finance Reporter software within 60 days of receipt; and
- b. Run a batch compliance report after each time contributions are entered and take steps to remedy any violations the software identifies so that problems may be resolved within the 90 days provided by statute for the return of a contribution before it is deemed accepted.

5. When a committee has a contribution limit violation, the Board typically orders the committee to return the excess amount to a contributor. Here, however, the Hainey committee's bank

balance is close to zero. Consequently, if the Board were to order the return of the excess personal contributions, it is very likely that Mr. Hainey would contribute \$522.23 to his committee only to have the committee immediately refund that amount to him. Because the Board does not see a value in ordering the committee to undertake a meaningless action, the Board will not require the Hainey committee to return the excess contribution to Mr. Hainey in this matter.

6. The committee agrees to the imposition of a civil penalty in the amount of \$522.23 for accepting contributions in excess of the limit imposed by Minnesota Statutes section 10A.27, subdivision 10. This amount is one times the amount of the excess contribution. Of the \$522.23, \$135 is due within 30 days of the date the agreement is signed by both parties. The remaining \$387.23 of the penalty is, by the terms of this agreement, stayed until January 1, 2021. If the committee violates Minnesota Statutes section 10A.27, subdivision 10, before January 1, 2021, the outstanding civil penalty is due immediately. If the committee does not violate Minnesota Statutes section 10A.27, subdivision 10, before January 1, 2021, the outstanding civil penalty is waived.

7. If the committee 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/ Shaun Hainey Dated: 2019-09-04
Shaun Hainey
Hainey (Shaun) for House

/s/ Margaret Leppik Dated: August 14, 2019
Margaret Leppik, Chair
Campaign Finance and Public Disclosure Board