## STATE OF MINNESOTA CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD

PRIMA FACIE DETERMINATION

IN THE MATTER OF THE COMPLAINT OF THE MINNESOTA DFL REGARDING ACTION 4 LIBERTY AND ACTION 4 LIBERTY PAC

On March 29, 2021, the Campaign Finance and Public Disclosure Board received a complaint submitted by the Minnesota DFL regarding Action 4 Liberty and the Action 4 Liberty PAC. Action 4 Liberty is an association not registered with the Board. Its website is www.action4liberty.com. Action 4 Liberty PAC is a political committee registered with the Board. The committee's registration states that www.action4liberty.com also is its website.

The complaint alleges that Action 4 Liberty has accepted contributions and made expenditures that must be reported under Chapter 10A. The complaint states that it is unclear how Action 4 Liberty is related to the Action 4 Liberty PAC. The complaint maintains that either Action 4 Liberty has failed to report the identified transactions through the registered committee Action 4 Liberty PAC or, alternatively, that Action 4 Liberty has failed to register itself as a political committee with the Board to report those transactions. The complaint also alleges that the www.action4liberty.com website, an Action 4 Liberty Facebook page, and printed literature lack the disclaimers required by Minnesota Statutes section 211B.04. The complaint states that this lack of disclaimers "makes it impossible to determine whether Action 4 Liberty has complied with the registration and reporting requirements under Chapter 10A."

The complaint includes screenshots of the www.action4liberty.com website and an Action 4 Liberty Facebook page. The screenshots show that the chair of the Action 4 Liberty PAC, Jake Duesenberg, also serves as president of Action 4 Liberty. The screenshots also show that the website contains requests for donations and language stating "we recruit pro-liberty candidates for the legislature and equip them to win their elections." A 2019 Minnesota legislative scorecard is posted on the website along with articles opposing certain 2021 state legislative proposals and the continuation of the Governor's emergency powers. One article states, "They either get on board . . . or we'll make sure they don't get re-elected in 2022." Other articles discuss expenditures made to print and distribute literature in northern Minnesota in February 2021. The complaint includes a picture of one side of that literature, which says, "Rep. Julie Sandstede betrayed you by voting to protect Governor Walz' emergency powers."

The screenshots of the Facebook page show posts that also oppose certain 2021 state legislative proposals and the continuation of the Governor's emergency powers. There are no disclaimers on the website, the Facebook page, or the side of the literature shown in the complaint. The Action 4 Liberty PAC's 2019 year-end report contains an expenditure for internet access and web hosting but does not contain an expenditure for the development of the legislative scorecard. The committee's 2020 year-end report does not disclose any expenditures

for the development or hosting of the committee's website nor any contributions from Action 4 Liberty for those services.<sup>1</sup>

## Determination

An association must register a political committee or fund within 14 days of receiving contributions, or making expenditures, that exceed \$750. Minn. Stat. § 10A.14, subd. 1. Minnesota Statutes section 10A.01, subdivision 27, provides that a political committee is an association whose major purpose is to influence elections. Because a political committee's major purpose is to influence elections, all of its expenditures are assumed to be related to that purpose and therefore are subject to regulation under campaign finance laws. *Buckley v. Valeo*, 424 U.S. 1, 79 (1976); *Minnesota Citizens Concerned for Life v. Kelley*, 698 N.W.2d 424, 428 (Minn. 2005); *Advisory Opinion 405*. Under Minnesota Statutes section 10A.20, subdivision 3, a political committee must report all of its financial activities to the Board.

Here, the complaint and the attachments contain evidence of efforts to influence the opinions of voters regarding state candidates. The complaint and the attachments also include evidence that those efforts involved making expenditures of more than \$750. Finally, the complaint and the attachments include evidence that the efforts to influence voters were undertaken by Action 4 Liberty but that Action 4 Liberty has not registered itself as a political committee with the Board. The chair therefore concludes that the complaint states a prima facie violation of the registration requirements in Chapter 10A.

The complaint and the attachments also contain evidence that the Action 4 Liberty PAC uses www.action4liberty.com as its website. Although the Action 4 Liberty PAC reported making expenditures for a website in 2019, the committee did not report any website expenditures in 2020 nor any contributions for those services from Action 4 Liberty. The information showing that the Action 4 Liberty PAC and Action 4 Liberty share leadership and a website, and appear to share a Facebook page, is evidence that the Action 4 Liberty PAC participated, at least in part, in the efforts to influence voters described on those pages. Other than the 2019 website expenditures related to those efforts that occurred before 2021. The chair therefore concludes that the complaint states a prima facie violation of the reporting requirements in Chapter 10A.

Minnesota Statutes section 211B.04 requires all campaign material to include a disclaimer in the form specified in the statute. Minnesota Statutes section 211B.01, subdivision 2, provides that campaign material is any literature, publication, or material that is disseminated for the purpose of influencing an election. As discussed above, a political committee's major purpose is to influence elections.

<sup>&</sup>lt;sup>1</sup> Any expenditures made in 2021 would be disclosed on the 2021 year-end report, which is not due until January 31, 2022.

In this case, the complaint alleges and contains evidence that there is no disclaimer on the www.action4liberty.com website or the Facebook page. The complaint also alleges and contains evidence that the literature distributed in 2021 did not have a disclaimer. For these reasons, the chair concludes that the complaint states a prima facie violation of the disclaimer requirements in Minnesota Statutes section 211B.04.

Pursuant to Minnesota Statutes section 10A.022, subdivision 3, this prima facie determination is made by a single Board member and not by any vote of the entire Board. This prima facie determination does not mean that the Board has commenced, or will commence, an investigation or has made any determination of a violation by any of the individuals or entities named in the complaint.

Pursuant to Minnesota Statutes section 10A.022, subdivision 3, within 45 days of the date of this determination, the Board will make findings and conclusions as to whether probable cause exists to believe that the violations of Minnesota Statutes sections 10A.14, 10A.20, and 211B.04, alleged in the complaint have occurred and warrant a formal investigation. The complainant and the respondent named in this prima facie determination will be given an opportunity to be heard by the Board prior to any decision on probable cause.

Until the Board makes a public finding or enters into a conciliation agreement, this matter is subject to the confidentiality requirements of Minnesota Statutes section 10A.022, subdivision 5.

<u>/s/ Stephen Swanson</u> Stephen Swanson, Chair Campaign Finance and Public Disclosure Board Date: <u>4/8/2021</u>