## STATE OF MINNESOTA CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD

## **CONCILIATION AGREEMENT**

In the matter of the Veterans Party of Minnesota (41178);

1. The Veterans Party of Minnesota is a political committee registered with the Board. On May 27, 2021, the Campaign Finance and Public Disclosure Board received a complaint submitted by Robert Doar regarding the Veterans Party of Minnesota. On June 11, 2021, a Board member dismissed several allegations and found prima facie violations of the reporting requirements in Minnesota Statutes section 10A.20 with respect to costs incurred for Facebook advertisements, a website, and UPS mailbox service, and the disclaimer requirement in Minnesota Statutes section 211B.04 with respect to "Paid Election Letters" supporting local candidates that were published in a newspaper. After receiving the complaint and prima facie determination, the Veterans Party of Minnesota submitted a response to the complaint and filed amended reports of receipts and expenditures.

2. On July 28, 2021, the Board made a probable cause determination that concluded that, while there was probable cause to believe that the committee had violated the reporting requirements in Minnesota Statutes section 10A.20, no further investigation was warranted due to the committee's filing of amended reports. The probable cause determination also concluded that, while there was probable cause to believe that the committee had violated the disclaimer requirement in Minnesota Statutes section 211B.04, no further investigation was warranted. The Board ordered the executive director to initiate a staff review for the limited purpose of determining a civil penalty for the disclaimer violation and preparing a conciliation agreement.

3. The Veterans Party of Minnesota submitted and paid for two letters to the editor regarding local candidates that did not include a disclaimer—one letter in 2018, and one in 2020. The Veterans Party of Minnesota admits that the "Paid Election Letters" should have contained the required disclaimer, but that the requirement was overlooked. The Veterans Party of Minnesota stated that the cost of the two "Paid Election Letters" was \$60 per letter.

4. Minnesota Statutes section 211B.04, subdivision 1, requires candidates to include a disclaimer on campaign material that prominently states "Prepared and paid for by the ... committee, ... (address)." Campaign material is defined in Minnesota Statutes section 211B.01, subdivision 2, as "any literature, publication, or material that is disseminated for the purpose of influencing voting at a primary or other election, except for news items or editorial comments by the news media." The Board may impose a civil penalty of up to \$3,000 for a violation of Minnesota Statutes section 211B.04, subdivision 1.

5. In determining the appropriate penalty for a violation of the disclaimer requirement the Board considers multiple factors such as whether it was clear who was responsible for the campaign material and how to contact them, whether the violation has been remedied, whether there were

prior violations of the disclaimer requirement, the cost of the campaign material and how widely it was disseminated, whether the violation was self-reported, and whether the violation was willful.<sup>1</sup> Here, the letters stated that they were written on behalf of the Veterans Party of Minnesota, but did not provide any contact information for the political committee. The committee stated that the letters were supposed to include the entire disclaimer but the requirement was overlooked. There was no way to remedy the disclaimer issue after publication. This is the committee's first violation of the disclaimer requirement. Also, the cost of each of the two letters was \$60, and the population of the city where they were published was under 15,000. The violation was not self-reported, but rather was part of a larger complaint against the Veterans Party of Minnesota.

6. Based on consideration of the factors listed above, the Board determines that a \$100 civil penalty is appropriate for the violation in this case. Payment is due within 30 days of the date the agreement is signed by both parties

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.

<u>/s/ John Gruenfelder</u> John Gruenfelder Veterans Party of Minnesota Dated: October 4, 2021

<u>/s/ Stephen Swanson</u> Stephen Swanson, Chair Campaign Finance and Public Disclosure Board Dated: September 1, 2021\_

<sup>&</sup>lt;sup>1</sup> Minnesota Statutes section 14.045, subdivision 3, lists factors that agencies must consider when setting the amount of a fine including the gravity, willfulness, and number of violations; the offender's past violations and economic benefit; and any other factor that justice requires.