

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

**PROBABLE CAUSE
DETERMINATION**

IN THE MATTER OF THE COMPLAINT OF WAYNE SEVERUD REGARDING THE VOTE FOR LOONAN
(ROBERT) COMMITTEE AND LOONAN AND LOONAN CONSULTING

On July 22, 2022, the Campaign Finance and Public Disclosure Board received a complaint submitted by Wayne Severud regarding Robert Loonan, a candidate for Minnesota House of Representatives District 54A. Vote for Loonan (Robert) is the principal campaign committee of Mr. Loonan.

The complaint alleges that Mr. Loonan was the instructor of an approved Minnesota Department of Commerce insurance continuing education class that he was teaching on behalf of Loonan and Loonan's Consulting¹. The complaint states that Mr. Severud attended the class via Zoom on July 19, 2022, and alleges that at the end of the class, Mr. Loonan asked for donations to his campaign committee. On July 27, 2022, Mr. Severud supplemented his complaint via an email to Board staff stating that the conduct alleged in the complaint violated the prohibition on corporate contributions found in Minnesota Statutes section 211B.15. In his email to Board staff, Mr. Severud states that at the beginning of the class Mr. Loonan mentioned that he was running for Minnesota House of Representatives "and that he would really like to get back in this year." Mr. Severud states that he felt it was "out of place for him to make that pitch . . . so as the class was wrapping up, I felt I would video my screen to see if he brought it up again." Mr. Severud's email included a copy of a video of the end of the class, during which Mr. Loonan states "I am gonna go ahead and turn you loose. Everybody have a good week and stay cool out there. And again, there was a question on here [unintelligible words]. I am running for office again and they have . . . a refund program for political contributions up to \$50," and then refers to his committee's website². Contributions could be made to the Loonan committee via its website.

On August 5, 2022, the Board chair determined that the complaint stated a prima facie violation of Minnesota Statutes section 211B.15. On August 11, 2022, Board staff sent a letter to Mr. Loonan at Loonan and Loonan Consulting with several questions. Mr. Loonan provided a written response to the letter and the complaint on August 18, 2022. Mr. Loonan stated that he conducted a Zoom webinar for the purposes of an insurance continuing education class. He stated that he could not see the attendees of the class and that the attendees were unable to connect directly with him, except using the Q/A feature in Zoom. Mr. Loonan said that attendees of the class were able to submit questions via the Q/A feature. During the breaks, Mr. Loonan stated that he would look at the questions submitted. Mr. Loonan said that "[t]here were a few questions that asked if I was going to run for office and how could they help, I did not address these questions during the class." Mr. Loonan stated that he dismissed the class and

¹ [Home - Loonan & Loonan's Consulting \(loonanandloonansconsulting.com\)](http://Home - Loonan & Loonan's Consulting (loonanandloonansconsulting.com))

² www.bobloonanmn.com

then he responded verbally to the question in the chat about him running for office and “provided information about the refund program without asking for money.” Mr. Loonan argues that the course did not provide a corporate contribution to his candidate committee because he was answering a question and the class had been “turned loose” when he responded to the question.

In his response Mr. Loonan states that approximately 60 students attended the course and that none of the attendees made a contribution to the Vote for Loonan committee on or after July 19, 2022. Mr. Loonan stated that the course was offered through Loonan and Loonan Consulting and that attendees of the class needed to sign up for the class via Loonan and Loonan Consulting’s website. Mr. Loonan also stated that he is an owner of Loonan and Loonan Consulting and also an officer of the company.

On August 23, 2022, Board staff sent a letter to Mr. Loonan requesting a copy of the entire webinar that occurred on July 19, 2022. On August 26, 2022, Mr. Loonan responded stating that he did not have a recording of the webinar.

Analysis

When the Board chair makes a finding that a complaint raises a prima facie violation, the full Board then must determine whether probable cause exists to believe an alleged violation that warrants an investigation has occurred. Minn. Stat. § 10A.022, subd. 3 (d). A probable cause determination is not a complete examination of the evidence on both sides of the issue. Rather, it is a determination of whether a complaint raises sufficient questions of fact which, if true, would result in the finding of a violation.

If the Board finds that probable cause exists, the Board is required to determine whether the alleged violation warrants a formal investigation, considering the type and magnitude of the alleged violation, the knowledge of the respondents, any benefit to be gained from a formal investigation, the availability of Board resources, and whether the violation has been remedied. Minn. R. 4525.0210, subp. 5. If the Board finds that probable cause exists but does not order a formal investigation, the Board is required to either dismiss the complaint or order a staff review. Minn. R. 4525.0210, subp. 6.

Minnesota Statutes section 211B.15, subdivision 2, paragraph (a), provides as follows:

A corporation may not make a contribution or offer or agree to make a contribution directly or indirectly, of any money, property, free service of its officers, employees, or members, or thing of monetary value to a political party, organization, committee, or individual to promote or defeat the candidacy of an individual for nomination, election, or appointment to a political office.

The statute also prohibits a committee or individual from accepting a contribution that a corporation is prohibited from making. Minn. Stat. § 211B.15, subd. 2 (b). The term

“contribution” includes donations in kind. Minn. Stat. § 10A.01, subd. 11 (a). Donations in kind include approved expenditures and “anything of value that is given, other than money or negotiable instruments.” Minn. Stat. § 10A.01, subd. 13.

The complaint and the video contain evidence that Mr. Loonan was acting in his capacity as an instructor of Loonan and Loonan Consulting when he was conducting the Zoom continuing education class. Loonan and Loonan Consulting appears to be a corporation³. Mr. Loonan admits that he is an owner and an officer of Loonan and Loonan Consulting.

The supplemented complaint states that at the beginning of the class, Mr. Loonan mentioned that he was running for Minnesota House of Representatives and that he wanted to get back into office. This portion of the class was not recorded by Mr. Severud. Mr. Loonan states that after he released the students from the class, he was simply responding to a question in the Q/A feature of Zoom that asked about his run for office. However, the question in the Q/A feature could have been prompted by the comments that Mr. Loonan made at the beginning of the class about his run for a seat in the Minnesota House of Representatives.

Mr. Loonan stated that he didn't ask for money and any comments were made after the attendees were released from the class. However, telling attendees about the refund program and referring attendees to his website where they may make a contribution provides a benefit to his committee, even if the attendees were not required to remain in the Zoom class. While Mr. Loonan did not explicitly ask for monetary donations to his campaign during the recorded portion of the class submitted to the Board, informing attendees about the political contribution refund program and referring them to his committee's website may have the same effect. Mr. Loonan's statements benefitted his committee and his statements were made using the assets of Loonan and Loonan Consulting while conducting an insurance continuing education class operated by Loonan and Loonan Consulting. Those statements may have resulted in an in-kind contribution from Loonan and Loonan Consulting to the Vote for Loonan committee.

The fact that the Loonan committee did not receive contributions from anyone attending the class may be relevant in determining the severity of any violation, but does not excuse the fact that assets of Loonan and Loonan Consulting were used to the benefit of the Vote for Loonan committee. For the foregoing reasons the Board concludes that there is probable cause to believe that the Vote for Loonan committee accepted an in-kind contribution made by Loonan and Loonan Consulting in violation of the corporate contribution prohibition in Minnesota Statutes section 211B.15, subdivision 2.

The Loonan committee has been registered with the Board since 2014, Mr. Loonan is a former member of the Minnesota House of Representatives, and Mr. Loonan has been on the primary or general election ballot during each of the past five election years. The website of Loonan and Loonan Consulting states that Mr. Loonan “has been conducting continuing Education courses in the area of Insurance and Real Estate for 35 years.” Neither the Loonan committee or

³ [Business Filing Details \(state.mn.us\)](https://www.state.mn.us/business/filingdetails)

Loonan and Loonan Consulting have any history of past violations of the prohibition on corporate contributions. Although Mr. Loonan disputes whether a contribution occurred, he provided requested information about the class and the lack of contributions from attendees of that class. Considering those factors, the Board concludes that a formal investigation is not warranted.

Order:

1. Although probable cause exists to believe that Loonan and Loonan Consulting made an in-kind contribution that was accepted by the Vote for Loonan committee in violation of Minnesota Statutes section 211B.15, subdivision 2, a formal investigation is not warranted.
2. The Board's executive director is directed to initiate a staff review regarding the allegations contained in the complaint pursuant to Minnesota Rules 4525.0320 for the purpose of concluding the investigation by conciliation agreement with the Vote for Loonan committee and Loonan and Loonan Consulting. If the investigation cannot be resolved by conciliation agreement, the executive director is directed to prepare findings to resolve this matter.

/s/ Faris Rashid

Faris Rashid, Chair

Campaign Finance and Public Disclosure Board

Date: September 7, 2022