STATE OF MINNESOTA CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD

FINDINGS, CONCLUSIONS, AND ORDER

IN THE MATTER OF THE COMPLAINT OF MATTHEW T. WERDEN REGARDING THE DIPPEL (TOM) FOR SENATE COMMITTEE AND ACTION 4 LIBERTY

Background

On April 11, 2023, the Campaign Finance and Public Disclosure Board received a complaint submitted by counsel for Matthew Werden regarding the Dippel (Tom) for Senate committee and Action 4 Liberty. The Dippel (Tom) for Senate committee is the principal campaign committee of Tom Dippel, a 2022 candidate for Minnesota Senate District 41. Action 4 Liberty is a nonprofit 501(c)(4) association not registered with the Board.

The complaint alleged that Action 4 Liberty, as a nonprofit corporation, violated Minnesota Statutes section 211B.15, subdivision 2, by making prohibited contributions to the Dippel committee. The complaint alleged that the Dippel committee violated the same statute by accepting those contributions. The complaint asserted that Action 4 Liberty provided corporate contributions to the Dippel committee in the form of free services performed by a paid intern, William Beck. The complaint alleged that Mr. Beck managed the Dippel committee's social media page, drafted campaign material for the Dippel committee, and scheduled meetings for the Dippel committee's staff and volunteers.

The complaint included an affidavit from Marissa Manteufel, a staff member of the Senate Victory Fund, who was assigned to provide staff services to the Dippel committee. The Senate Victory Fund is the Republican legislative party unit for the state senate. Ms. Manteufel stated that on May 11, 2022, she was present at a Dippel campaign meeting with Mr. Beck. Ms. Manteufel stated that Mr. Beck told her that he worked for Action 4 Liberty and was a paid intern to "help campaigns." Ms. Manteufel said that she was instructed by Mr. Dippel to copy Mr. Beck on all emails. Ms. Manteufel stated that Mr. Beck had administrative access to the Dippel committee's Facebook page and provided a screenshot showing that Mr. Beck granted her partial access to manage the Dippel for Senate Facebook page. Ms. Manteufel stated that Mr. Beck helped the Dippel committee write several pieces of campaign material and provided a copy of an email from Mr. Beck discussing the design of new campaign literature for the Dippel committee. Ms. Manteufel further alleged that Mr. Beck scheduled meetings with Dippel campaign staff and volunteers and provided a copy of an email from Google Docs showing that Mr. Beck shared a document titled "Dippel Kickoff Event Invite". The complaint alleged that Ms. Manteufel's affidavit and attachments show that Action 4 Liberty provided a corporate contribution in the form of paid staff time to the Dippel committee in violation of Minnesota Statutes section 211B.15.

The complaint also alleged that Action 4 Liberty and the Dippel committee each violated the individual contribution limit in Minnesota Statutes section 10A.27, subdivision 1. The individual contribution limit for a candidate for state senator was \$1,000 during the 2021-2022 election cycle.

The complaint alleged that the value of Mr. Beck's substantial time and services provided to the Dippel committee was in excess of the \$1,000 limit.

On April 25, 2023, the Board chair determined that the complaint alleged prima facie violations of Minnesota Statutes section 211B.15, subdivision 2, as to Action 4 Liberty and the Dippel for Senate committee. The Board chair determined that the complaint did not state a prima facie violation of the individual contribution limit.

On May 15, 2023, the Board received a written response submitted by Tom Dippel on behalf of the Dippel committee. In his response Mr. Dippel argued that Minnesota Statutes section 211B.15 is unconstitutional. Mr. Dippel's response also provided an affidavit from Mr. Beck. The affidavit from Mr. Beck contains three statements:

- 1. I am not employed by Action 4 Liberty.
- 2. I have never been employed by Action 4 Liberty.
- 3. I have never been paid by Action 4 Liberty to help campaigns.

Mr. Dippel's response requested that the complaint be dismissed.

On May 22, 2023, the Board received a written response submitted by Erick Kaardal on behalf of Action 4 Liberty. Mr. Kaardal's response also provided a copy of the affidavit signed by Mr. Beck that the Dippel committee provided. Mr. Kaardal stated that the affidavit of Mr. Beck explicitly states that Mr. Beck "was not employed by Action 4 Liberty or otherwise employed by Action 4 Liberty to help campaigns." Mr. Kaardal stated that the complainant, Mr. Werden, did not provide any information demonstrating that he attempted to confirm that Mr. Beck was employed by Action 4 Liberty. Mr. Kaardal's response also argued that Minnesota Statutes section 211B.15 is unconstitutional.

On May 22, 2023, Board staff requested additional information from the Dippel committee. The response and affidavit provided by the Dippel committee did not specifically address whether Mr. Beck was paid by the Dippel committee. On the Dippel committee's 2022 year-end report of receipts and expenditures, the Dippel committee reported making campaign expenditures totaling \$15,000 to Statesman Strategies LLC. Business filings with the Minnesota Secretary of State show that Statesman Strategies LLC's registered agent is William Beck. Board staff asked the Dippel committee to confirm that the Dippel committee paid Statesman Strategies for Mr. Beck's work for the Dippel committee. On May 26, 2023, Mr. Dippel provided a response to Board staff's request for additional information. Mr. Dippel declined to provide a substantive response and instead argued that the question posed by Board staff went beyond the scope of the allegations contained in the complaint. Mr. Dippel noted that Statesman Strategies was not referenced in the complaint or the prima facie determination. Mr. Dippel's response stated that the sole factual basis of the complaint was whether Mr. Beck was employed by Action 4 Liberty or paid by Action 4 Liberty to work on campaigns. Mr. Dippel's response stated that the affidavit from Mr. Beck should be "more than sufficient evidence to dismiss the Complaint with prejudice." The response from Mr. Dippel stated '[t]here is no obvious reason as to how this information could possibly be pertinent or useful for the Complaint. If the CFB can articulate how the information about Statesman Strategies LLC could possibly be relevant or useful in a probable cause determination specifically as it relates to whether [Action 4 Liberty] gave a corporate contribution to" the Dippel committee then the Dippel committee may consider providing a substantive response.

At its meeting on June 7, 2023, the Board determined that there was probable cause to believe that Action 4 Liberty made an in-kind contribution to the Dippel committee by providing a paid intern to perform services for the committee, and that the Dippel for Senate committee accepted that contribution, in violation of Minnesota Statutes section 211B.15, subdivision 2. The Board ordered an investigation.

On June 15, 2023, counsel for Mr. Werden provided supplemental evidence regarding the complaint. The supplemental evidence provided by Mr. Werden's counsel included a copy of the 2021 Minnesota Scorecard published by Action 4 Liberty concerning the 2021 legislative session that showed Mr. Beck as an editor of the scorecard; four posts on Action 4 Liberty's website published by Mr. Beck in 2022; an email from Mr. Beck dated June 29, 2022, to a member of the Republican Party of Minnesota's leadership requesting information regarding voter data supplied by the party to its endorsed candidates; the Minnesota Secretary of State's business record details for Statesman Strategies LLC, showing Mr. Beck as the registered agent; screenshots of Mr. Beck's LinkedIn page showing that he was a self-employed political consultant working for Statesman Strategies LLC starting in May 2022 and was an operations coordinator for Action 4 Liberty from November 2021 to May 2022; and a screenshot of Mr. Beck's Twitter profile page showing his connection to Action 4 Liberty.

On June 27, 2023, Board staff provided Action 4 Liberty and the Dippel committee with the supplemental evidence provided by counsel for Mr. Werden and sought additional information from each. On July 11, 2023, Mr. Dippel provided a response to Board staff's request for more information and separately provided additional details regarding the facts addressed by the Board's probable cause determination. Mr. Dippel stated that Ms. Manteufel, who provided the affidavit submitted as evidence with the complaint, worked for the Senate Victory Fund, which "actively campaigned for Mr. Jurgens during the endorsing and primary process." Tony Jurgens was Mr. Dippel's opponent for the Republican endorsement and in the 2022 primary election. Mr. Dippel stated that "Mr. Beck was contracted to be [Mr. Dippel's] full-time campaign manager through his LLC, Statesman Strategies June 1st. Mr. Beck is a friend who was a part-time campaign manager in May while he finished college." Mr. Dippel stated that the Dippel committee paid Statesman Strategies \$15,000 for Mr. Beck's services from June 2022 to November 2022. Mr. Dippel also stated that the Dippel committee was not aware of any resources from Action 4 Liberty that were provided to the Dippel committee by Mr. Beck or through any other entity.

On July 11, 2023, Action 4 Liberty's counsel, William Mohrman, requested an extension to respond to Board staff's June 27, 2023, letter. On July 20, 2023, counsel for Action 4 Liberty provided a response to Board staff's request for more information. Mr. Mohrman stated that:

Action 4 Liberty did not employ Mr. Beck as an employee. Action 4 Liberty did enter into a contract with Mr. Beck for Mr. Beck [sic] provide services to Action for Liberty with Action 4 Liberty's social media and news functions. Mr. Beck was an independent contractor for Action 4 Liberty.

Mr. Mohrman stated that "Action 4 Liberty paid William Beck as a contractor for article production, social media, research, and other issues starting in the fall of 2021 and continuing until May of 2022." Mr. Mohrman also stated that "Action 4 Liberty specifically informs its employees and independent contractors that any information they access on Action 4 Liberty's computer systems is to be used solely for purposes of Action 4 Liberty's work and no other purpose." Mr. Mohrman said that "[t]o Action 4 Liberty's knowledge, neither Mr. Beck nor the Dippel campaign used any information Mr. Beck had access to for the purposes of providing services to the Dippel campaign."

On August 15, 2023, Board staff sought additional information from Action 4 Liberty. Board staff requested a copy of any contract between Action 4 Liberty and William Beck or Statesman Strategies LLC regarding Mr. Beck's service as an independent contractor.

On August 22, 2023, Board staff sent a letter to Mr. Beck's attorney, William Mohrman, requesting a copy of any contract between Action 4 Liberty and William Beck or Statesman Strategies LLC regarding Mr. Beck's service as an independent contractor and requesting an informal interview with Mr. Beck and Board staff. Action 4 Liberty and Mr. Beck's attorney requested additional time to respond to the Board's requests due to medical issues. Mr. Mohrman confirmed that there was not a written agreement between Action 4 Liberty and Mr. Beck and declined to have Mr. Beck speak with Board staff.

On November 9, 2023, Board staff sent a letter to Mr. Dippel seeking additional information regarding the services that Mr. Beck and/or Statesman Strategies LLC provided to the Dippel committee. Mr. Dippel promptly responded stating that the Dippel committee had a verbal contract with Mr. Beck. Mr. Dippel also stated that Mr. Beck door knocked, helped organize events, posted to social media, communicated with print, video and text vendors, and drafted campaign verbiage for the Dippel committee's campaign. Mr. Dippel also provided some examples of the work that Mr. Beck provided to the Dippel committee. Lastly, Mr. Dippel confirmed that Mr. Beck was prohibited from utilizing materials or documents he prepared while employed with Action 4 Liberty, or to utilize data, such as contact lists, he obtained from Action 4 Liberty.

Analysis

Corporate Contributions

Minnesota Statutes section 10A.01, subdivision 11, defines the term contribution, in relevant part, to mean "money, a negotiable instrument, or a donation in kind that is given to a political committee, political fund, principal campaign committee, local candidate, or party unit." Minnesota Statutes section 10A.01, subdivision 13, defines the term donation in kind to mean "anything of value that is given, other than money or negotiable instruments. An approved expenditure is a donation in kind." Minnesota Rules 4503.0500, subpart 1, provides that "[a]ny donation of money, goods, or services received by a principal campaign committee is considered a contribution at the time the item is received." When a principal campaign committee has paid for the fair market value

of a good or service, the good or service that was purchased is not a donation in kind to the committee.¹

Minnesota Statutes section 211B.15, subdivision 1, defines the term corporation to mean "(1) a corporation organized for profit that does business in this state; (2) a nonprofit corporation that carries out activities in this state; or (3) a limited liability company formed under chapter 322C, or under similar laws of another state, that does business in this state." Minnesota Statutes section 211B.15, subdivision 2, provides that:

- (a) 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.
- (b) A political party, organization, committee, or individual may not accept a contribution or an offer or agreement to make a contribution that a corporation is prohibited from making under paragraph (a).
- (c) For the purpose of this subdivision, "contribution" includes an expenditure to promote or defeat the election or nomination of a candidate to a political office that is made with the authorization or expressed or implied consent of, or in cooperation or in concert with, or at the request or suggestion of, a candidate or committee established to support or oppose a candidate but does not include an independent expenditure authorized by subdivision 3.

The complaint alleged that Action 4 Liberty is a Minnesota nonprofit corporation. The complaint alleged and contained evidence that Action 4 Liberty made an in-kind contribution to the Dippel committee by providing a paid intern to perform services for the Dippel committee. The Dippel committee provided an affidavit from Mr. Beck stating that he is not employed by Action 4 Liberty, has never been employed by Action 4 Liberty, and has never been paid by Action 4 Liberty to help campaigns.

However, there was conflicting evidence regarding the employment status of Mr. Beck. The website of Action 4 Liberty includes Mr. Beck in the About section stating "Operations – William Beck" with a picture of Mr. Beck.² Mr. Beck is listed as the author of over 100 blog posts published to Action 4 Liberty's website.³ The complainant's counsel also provided supplemental evidence regarding Mr. Beck's employment by Action 4 Liberty, which included a copy of the 2021 Minnesota Scorecard published by Action 4 Liberty that showed Mr. Beck as an editor of the scorecard; an email from Mr. Beck dated June 29, 2022, to a member of the Republican Party of Minnesota's leadership requesting information regarding voter data supplied by the party to its endorsed candidates; screenshots of Mr. Beck's LinkedIn page showing that he was an operations

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¹ See Findings and Order in the Matter of a Complaint regarding the Carla Nelson Volunteer Committee (Sept. 15, 2006).

² www.action4liberty.com/about

³ www.google.com/search?q=site%3Awww.action4liberty.com+%22william+beck%22

coordinator for Action 4 Liberty from November 2021 to May 2022; and a screenshot of Mr. Beck's Twitter profile page showing his connection to Action 4 Liberty.

After the Board ordered an investigation, Board staff requested additional information from Action 4 Liberty and the Dippel committee. Within its additional response the Dippel committee confirmed that it paid Mr. Beck \$15,000 for his services as campaign manager via Statesman Strategies, as reflected on the committee's 2022 pre-general and year-end reports. The response also stated that the Dippel committee was not aware of any resources from Action 4 Liberty that were provided to the Dippel committee.

Within its additional response Action 4 Liberty stated that Mr. Beck was an independent contractor providing services to Action 4 Liberty related to social media and website content, research, and other services for \$1,000 per month starting in the fall of 2021 and ending in May 2022. Action 4 Liberty also stated its belief that Mr. Beck did not use Action 4 Liberty's information while providing services to the Dippel campaign.

Additional information obtained during the investigation confirmed that there was not a written agreement between Action 4 Liberty and Mr. Beck for his services to Action 4 Liberty and there was not a written agreement between the Dippel committee and Mr. Beck for his services to the Dippel committee. The Dippel committee also stated that Mr. Beck door knocked, helped organize events, posted to social media, communicated with print, video and text vendors, and drafted campaign verbiage for the Dippel committee's campaign. Lastly, the Dippel committee confirmed that Mr. Beck was prohibited from utilizing materials or documents he prepared while employed with Action 4 Liberty, or to utilize data, such as contact lists, he obtained from Action 4 Liberty.

Based on the above background and analysis, the Board makes the following:

Findings of Fact

- 1. The Dippel (Tom) for Senate committee is the principal campaign committee of Tom Dippel, a 2022 candidate for Minnesota Senate District 41.
- 2. Action 4 Liberty is a nonprofit 501(c)(4) association not registered with the Board.
- 3. William Beck was an independent contractor retained by Action 4 Liberty and was paid \$1,000 per month during the fall of 2021 until May 2022 to provide social media and website content, research, and other services, to Action 4 Liberty. Action 4 Liberty did not pay Mr. Beck to provide services to the Dippel committee.
- 4. Mr. Beck volunteered as a part-time campaign manager for the Dippel committee in May 2022.
- 5. Mr. Beck was retained as a campaign manager for the Dippel committee and was paid \$15,000 by the Dippel committee for his services via Statesman Strategies LLC in 2022. Mr. Beck door knocked, helped organize events, posted to social media, communicated with print, video and text vendors, and drafted campaign verbiage for the Dippel committee's campaign in 2022.

- 6. The evidence in the record does not show that products developed for Action 4 Liberty by Mr. Beck as an independent contractor were provided to the Dippel committee by Mr. Beck.
- 7. The evidence in the record does not show that information from Action 4 Liberty was accessed by Mr. Beck for the purpose of providing services to the Dippel committee.

Based on the above analysis and findings of fact, the Board makes the following:

Conclusions of Law

- 1. The services that Mr. Beck provided to the Dippel committee as a volunteer in May 2022 were not an in-kind corporate contribution from Action 4 Liberty to the Dippel committee because those services did not involve the use of products developed by Mr. Beck for Action 4 Liberty as an independent contractor.
- The value of the services that Mr. Beck provided to the Dippel committee was not a corporate contribution from Action 4 Liberty to the Dippel committee because those services were paid for by the Dippel committee.

Based on the above findings of fact and conclusions of law, the Board issues the following:

Order

- 1. The complaint is dismissed without prejudice.
- 2. The investigation of this matter is concluded and hereby made a part of the public records of the Board pursuant to Minnesota Statutes section 10A.022, subdivision 5.

George W. Soule, Chair

Campaign Finance and Public Disclosure Board

Dated: December 13, 2023