

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

FINDINGS, CONCLUSIONS, AND ORDER

IN THE MATTER OF THE COMPLAINT OF LUKE MIELKE REGARDING SAFER HENNEPIN

Background

On February 5, 2024, the Campaign Finance and Public Disclosure Board received a complaint submitted by Luke Mielke regarding Safer Hennepin. Safer Hennepin (30709) is an independent expenditure political fund registered with the Board. Safer Hennepin's supporting association is a nonprofit corporation of the same name.¹

The complaint alleged that voters in Minneapolis Wards 5 and 10 received a mailer from Safer Hennepin that endorsed candidates for Minneapolis City Council. The complaint included copies of the mailers that contain a disclaimer that reads "Prepared and paid for by Safer Hennepin, 730 N Washington Ave Ste 427, MPLS, MN 55401" and is followed by the text "MPLS Forward is a Safer Hennepin organization." Each mailer included the website address MPLSforward.com, which is the website address of Mpls Forward (41347), a political committee that registered with the Board on October 30, 2023. The complaint stated that Safer Hennepin failed to file a 2023 pre-general or year-end report of receipts and expenditures, and Board records confirm that Safer Hennepin had not filed any reports covering 2023 at the time the complaint was filed.

The complaint also alleged that Safer Hennepin paid for digital advertisements in support of four Minneapolis City Council candidates via Mpls Forward. The complaint asserted and provided evidence that the same website address, mplsforward.com, was listed on both the mailers and the digital advertisements. The complaint included copies of five digital advertisements and estimates for the cost of publishing each advertisement on Meta's social media platforms. The digital advertisements each contained a disclaimer that reads "Paid for by Mpls Forward." Some of the advertisements contained a second disclaimer that reads "Prepared and paid for by MPLS Forward." The complaint also stated that if the advertisements were not independent expenditures, then they may have been approved expenditures. In that case, the cost of the digital advertisements would have exceeded the \$600 per-candidate contribution limit applicable to Minneapolis City Council candidates. The complaint alleged that Safer Hennepin violated Minnesota Statutes section 10A.01, subdivision 18.

On February 27, 2024, the Board's chair determined that the complaint stated a prima facie violation of Minnesota Statutes sections 10A.20 and 211B.04. The Board's chair determined that the complaint did not state a prima facie violation of Minnesota Statutes section 10A.01,

¹ mblsportal.sos.state.mn.us/Business/SearchDetails?filingGuid=c4fc9b1b-6d04-ed11-9061-00155d01c614

subdivision 18, which defines the term “independent expenditure” and does not prohibit any conduct.

On March 8, 2024, Safer Hennepin filed its 2023 year-end report and its chair, Corey Day, provided a response to the complaint. Mr. Day stated that the report was filed late “[d]ue to confusion with another PAC that Safer Hennepin did work (Mpls Forward) with and a lack of understanding that any expenditure, even if the committee does not receive funds in that calendar cycle, needs to be reported.” Board staff contacted Safer Hennepin regarding problems with the 2023 year-end report as filed. On March 18, 2024, Safer Hennepin filed an amended 2023 year-end report (amendment #1).

On April 24, 2024, Board staff requested further information from Safer Hennepin. On May 8, 2024, Mr. Day provided a response. Mr. Day stated that Safer Hennepin did not include one of the independent expenditure mailers in question within its report—the mailer for Victor Martinez—because Mpls Forward paid for the mailer’s postage and printing and was responsible for the mailer. Mr. Day also stated that Mpls Forward was responsible for the social media advertisements included in the complaint.

Mr. Day stated that Safer Hennepin retained Impact Printing on October 5, 2023, to print and mail the mailers. Mr. Day stated that Impact Printing did not create the graphics for the mailers, and confirmed on May 17, 2024, that the graphics were created in-house by a volunteer.

In the Board’s April 24, 2024, letter to Safer Hennepin, Board staff specifically asked why Safer Hennepin did not use the independent expenditure disclaimer as required by Minnesota Statutes section 211B.04 on the advertisements included in the complaint. Mr. Day’s response to that question was “[i]n the case of Safer Hennepin not using a disclaimer in the piece in question, [Mpls] Forward was the agent that mailed/paid for the advertisement of Victor Martinez’s piece and any social media advertisements.”

At its meeting on June 5, 2024, the Board determined that there was probable cause to believe that Safer Hennepin violated the reporting requirements within Minnesota Statutes section 10A.20 and the disclaimer requirement imposed by Minnesota Statutes section 211B.04.

On August 21, 2024, Board staff requested additional information from Safer Hennepin regarding the disclaimer used in the advertisements, the relationship between Safer Hennepin and Mpls Forward, and who created the graphics used in Safer Hennepin’s advertisements. On September 6, 2024, Mr. Day responded to Board staff’s questions stating that former volunteers of Safer Hennepin created Mpls Forward, but there is no ongoing relationship between Safer Hennepin and Mpls Forward. Mr. Day stated that a Safer Hennepin volunteer created the graphics used in the advertisements at no cost for Safer Hennepin. Mr. Day said that “[i]terature and promotional materials disseminated by Safer Hennepin adapted graphics and endorsements made on the Mpls Forward website but were developed without partnership with Mpls Forward.” Mr. Day acknowledged that the two mailers for Luther Ranheim and Bruce Dachis did not have the correct disclaimer as required by Minnesota Statutes section 211B.04.

On October 17, 2024, Board staff requested clarification regarding Safer Hennepin's September response, specifically regarding communication and joint efforts between Safer Hennepin and Mpls Forward. Safer Hennepin did not respond to Board staff.

Analysis

Reporting Issues

Safer Hennepin's 2023 year-end report (amendment #1) includes \$7,597.21 in independent expenditures and no other expenses. The Board is not aware of evidence supporting the contention that any of the expenses referenced in the complaint were approved expenditures. Minnesota Statutes section 10A.20 pertains to reports required to be filed with the Board. Minnesota Statutes section 10A.20, subdivisions 2 and 4, provide that campaign finance reports covering the previous calendar year must be filed by January 31 of each year. Minnesota Statutes section 10A.20, subdivision 7a, states that a political fund "is not required to file any statement or report for a reporting period when the association accepted no contributions into the association's political fund and made no expenditures from its political fund since the last date included in its most recent filed report." Safer Hennepin is an independent expenditure political fund and would not have been required to file any reports covering 2023 if it accepted no contributions and made no expenditures in 2023. However, Safer Hennepin acknowledges that it made expenditures in 2023. Minnesota Statutes section 10A.20, subdivisions 2 and 2a, set forth the due dates for periodic reports of receipts and expenditures. Safer Hennepin made expenditures in 2023, and should have filed its 2023 year-end report by January 31, 2024. Safer Hennepin admitted in its response that it retained Impact Printing for the mailers on October 5, 2023, and thereby made independent expenditures totaling more than \$200 on behalf of local candidates that should have been reported within the 2023 pre-general report, which was due on October 30, 2023, and covered the period from January 1 through October 23, 2023.

The 2023 pre-general report was only required if the independent expenditure political fund spent more than \$200 in aggregate to influence local candidates in certain Hennepin County elections, including the City of Minneapolis election. Luther Ranheim and Bruce Dachis were candidates for Minneapolis City Council and the amount Safer Hennepin spent to influence that election by October 23, 2023, was greater than \$200, so Safer Hennepin was required to file the 2023 pre-general report. Minnesota Statutes section 10A.20, subdivision 12, provides that the Board may impose a late filing fee of \$50 per day, up to a maximum of \$1,000, for failing to timely file a pre-general report.

Safer Hennepin stated that the graphics for the mailers were "created in-house." 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," and provides that the term contribution "does not include services provided without compensation by an individual

volunteering personal time on behalf of” an entity registered with the Board. 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.” Safer Hennepin confirmed that a volunteer created the graphics for the Luther Ranheim and Bruce Dachis mailers at no cost to Safer Hennepin.

Disclaimer Issues

Minnesota Statutes section 211B.04, subdivision 2, generally requires a committee to include a disclaimer on written independent expenditures that prominently states “This is an independent expenditure prepared and paid for by . . . (name of entity participating in the expenditure), . . . (address). It is not coordinated with or approved by any candidate nor is any candidate responsible for it.” “The address must be either the entity’s mailing address or the entity’s website, if the website includes the entity’s mailing address.” Minn. Stat. § 211B.04, subd. 2.

The Luther Ranheim and Bruce Dachis mailers did not have the required independent expenditure disclaimer. The mailers do not contain any statement explaining that they are independent expenditures and that the mailers are not coordinated with or approved by any candidate as required by Minnesota Statutes section 211B.04.

The Board may impose a civil penalty of up to \$3,000 for a violation of Minnesota Statutes section 211B.04. 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 there is any basis for concluding that the violation was willful.²

The Luther Ranheim and Bruce Dachis mailers were independent expenditures paid for by Safer Hennepin, yet the disclaimer on the mailers did not have the required independent expenditure language. The disclaimers were also confusing as to who was responsible for the mailers as they referenced both Mpls Forward and Safer Hennepin. As the independent expenditures involved a mailing shortly before an election, there was not a way to remedy the situation. The violation was not self-reported and came to the attention of the Board via a complaint. Safer Hennepin has no previous violations of the disclaimer requirement. The cost of the Luther Ranheim advertisement was \$4,267.98 and the cost of the Bruce Dachis advertisement was \$3,329.23. The mailers were sent to residents of Minneapolis Wards 12 and 10, respectively. Considering those factors, the Board will impose a civil penalty of \$1,000 for the disclaimer violations.

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

² 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.

Findings of Fact

1. In October 2023, Safer Hennepin created a printed mailer regarding Luther Ranheim, a Minneapolis City Council candidate.
2. The cost of the mailer was \$4,267.98, and the expense was incurred on October 6, 2023.
3. The Luther Ranheim mailer contained a disclaimer that states “Prepared and paid for by Safer Hennepin, 730 N Washington Ave Ste 427, MPLS, MN 55401 MPLS Forward is a Safer Hennepin organization” on one side of the mailer and states “Prepared and paid for by Safer Hennepin MPLS Forward is a Safer Hennepin organization” on the other side of the mailer.
4. In October 2023, Safer Hennepin created a printed mailer regarding Bruce Dachis, a Minneapolis City Council candidate.
5. The cost of the mailer was \$3,329.23, and the expense was incurred on October 10, 2023.
6. The Bruce Dachis mailer contained a disclaimer that states “Prepared and paid for by Safer Hennepin, 730 N Washington Ave Ste 427, MPLS, MN 55401 MPLS Forward is a Safer Hennepin organization” on one side of the mailer and states “Prepared and paid for by Safer Hennepin MPLS Forward is a Safer Hennepin organization” on the other side of the mailer.
7. Safer Hennepin made an independent expenditure on October 6, 2023, for the Luther Ranheim mailer.
8. Safer Hennepin made an independent expenditure on October 10, 2023, for the Bruce Dachis mailer.
9. Safer Hennepin did not file a 2023 pre-general report of receipts and expenditures. The 2023 pre-general report was required to include receipts and expenditures that occurred during the period from January 1 2023, through October 23, 2023.
10. Luther Ranheim and Bruce Dachis were Minneapolis City Council candidates and the amount spent by Safer Hennepin to influence their election through October 23, 2023, was greater than \$200.
11. Safer Hennepin did not receive any contributions or make any expenditures during the period from October 24 through December 31, 2023. Safer Hennepin filed a 2023 year-end report of receipts and expenditures on March 18, 2024.

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

Conclusions of Law

1. Safer Hennepin failed to include the required disclaimer on the Luther Ranheim mailer in violation of Minnesota Statutes section 211B.04.
2. Safer Hennepin failed to include the required disclaimer on the Bruce Dachis mailer in violation of Minnesota Statutes section 211B.04.
3. Safer Hennepin was required to, and did not file, a 2023 pre-general report, due October 30, 2023. The report was required due to more than \$200 being spent to influence the Minneapolis election in 2023. If the 2023 pre-general report had been filed, Safer Hennepin would not have been required to file a 2023 year-end report pursuant to Minnesota Statutes section 10A.20, subdivision 7a.

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

Order

1. A civil penalty of \$1,000 is assessed against Safer Hennepin for violating the disclaimer requirement in Minnesota Statutes section 211B.04.
2. Safer Hennepin owes a late filing fee of \$1,000 for failing to file the 2023 pre-general report of receipts and expenditures, due October 30, 2023. The Board declines to impose a late filing fee for the 2023 year-end report, because Safer Hennepin would not have been required to file that report had the pre-general report been filed.
3. Safer Hennepin is directed to forward to the Board payment of \$2,000 by check or money order payable to the State of Minnesota, within 30 days of the date of this order.
4. If Safer Hennepin does not comply with the provisions of this order, the Board's executive director may request that the attorney general bring an action on behalf of the Board for the remedies available under Minnesota Statutes section 10A.34.
5. The Board 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.

/s/ David Asp
David Asp, Chair
Campaign Finance and Public Disclosure Board

Date: December 4, 2024