

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

**PROBABLE CAUSE
DETERMINATION**

IN THE MATTER OF THE COMPLAINT OF JOSEPH SHEFFER REGARDING THE GARY STEUART FOR MINNESOTA COMMITTEE AND STEUART PROPERTY LLC

On August 5, 2024, the Campaign Finance and Public Disclosure Board received a complaint from Joseph Sheffer concerning the Gary Steuart for Minnesota committee. Gary Steuart for Minnesota is the principal campaign committee of Gary Steuart, a candidate for Minnesota House of Representatives District 26B.

The complaint alleges that the Steuart committee violated Minnesota Statutes section 211B.15 when the committee accepted in-kind contributions from a corporation. The complaint alleges that the in-kind contributions were made by Steuart Property LLC. The complaint includes a copy of the Steuart committee's 2024 Pre-Primary Report of Receipts and Expenditures filed with the Board on July 26, 2024. The committee's report includes seven in-kind contributions totaling \$2,693.86 accepted by the Steuart committee, each of which are described as having been "paid for with Steuart Property LLC funds." The report describes the in-kind contributions as consisting of clothing, printing of campaign literature, postage stamps, and yard signs.

On August 9, 2024, the Board's chair determined that the complaint stated a prima facie violation of Minnesota Statutes section 211B.15, subdivision 2. On September 9, 2024, the Board received a response from Mr. Steuart, stating he was unaware that contributions from corporations were prohibited. He reported that the committee returned \$9,549.50 to Steuart Property LLC. It is important to note that Gary Steuart did not sign a public subsidy agreement, so his campaign committee was not subject to any limit on the amount that could be contributed by Mr. Steuart to his own campaign.

On September 12, 2024, Board staff requested additional information from Mr. Steuart. Clarification was sought regarding the \$9,549.50 paid to the LLC, given that the amount alleged in the complaint was \$2,693.86. The letter requested an itemized list of in-kind contributions from the LLC, as well as documentation of the deposited checks.

On October 14, 2024, the Board received Mr. Steuart's written response, which included bank statements and documentation of the deposited and returned checks. However, the source of the \$9,549.50 was not clarified.

On October 15, 2024, Board staff spoke with Treasurer Rachel Hershberger, who stated that Gary Steuart personally wrote a \$9,549.50 check to the committee to enable the committee to pay the funds to the LLC. Board staff requested a copy of this check and an itemized list of the in-kind contributions totaling \$9,549.50.

On October 16, 2024, Ms. Hershberger provided an itemized list of cash and in-kind contributions from Steuart Property LLC, totaling \$9,549.50, received between January 8 and July 24, 2024. Ms. Hershberger also included a copy of the \$9,549.50 check from Gary Steuart to the Gary Steuart for Minnesota committee.

1/8/2024 Cash Deposit from Steuart Property LLC: \$2,000
6/13/2024 JWS Graphix: \$540
6/17/2024 Cash Deposit from Steuart Property LLC: \$2,000
6/21/2024 Printy Quik: \$325.97
6/22/2024 USPS: \$272
6/24/2024 USPS: \$204
6/25/2024 USPS: \$136
7/16/2024 Screen Tech: \$1,095.89
7/22/2024 Ben Hershberger: \$120
7/24/2024 River Valley Media Group: \$270
7/24/2024 MPX Group: \$2,282.64
7/24/2024 Caledonia Argus: \$303

The \$2,000 monetary contributions dated January 8 and June 17, 2024, were misreported as coming from Gary Steuart's personal funds on the pre-primary report. The contributions dated July 24, 2024, were not included in the pre-primary report, as that report only covered the period through July 22, 2024.

On October 17, 2024, Board staff spoke with Ms. Hershberger after discovering that the committee had overlooked a \$2,000 monetary contribution from July 9, 2024. This oversight increased the total amount the committee needed to return to the LLC to \$11,549.50. The Steuart committee needed to refund the remaining \$2,000 to Gary Steuart LLC by October 22, 2024, which is 90 days from the date of the July 24 in-kind contributions. On October 21, 2024, Ms. Hershberger provided evidence that the Steuart committee refunded that amount to Gary Steuart LLC.

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.

Corporate Contribution

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 Statutes section 10A.15, subdivision 3, provides for a 90-day period in which a prohibited contribution may be returned without a violation.

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.


A corporation that has violated the prohibition on corporate contributions is subject to a civil penalty imposed by the Board. Minn. Stat. § 211B.15, subd. 7. An individual representative of a corporation who has violated the prohibition while acting on behalf of the corporation is likewise subject to a civil penalty imposed by the Board. Minn. Stat. § 211B.15, subd. 6. An individual or other entity that has accepted a contribution or an offer or agreement to make a contribution prohibited by Minnesota Statutes section 211B.15 is also subject to a civil penalty imposed by the Board. Minn. Stat. § 10A.34, subd. 4.

The complaint alleges that Steuart Property LLC, a registered corporation owned by Gary Steuart, made prohibited contributions to the Steuart committee. Under Minnesota Statutes

section 10A.15, subdivision 3, contributions can be returned to the contributor within 90 days after deposit; if not returned, they must be reported as accepted. Between January 8, 2024, and July 24, 2024, the Steuart committee accepted \$11,549.50 from Steuart Property LLC, including \$6,000 in monetary contributions and \$5,549.50 in in-kind contributions. The committee returned \$9,549.50 on September 6, 2024, and \$2,000 on October 21, 2024. Contributions totaling \$9,549.50, received between June 13 and July 24, were returned within the 90-day window. However, the \$2,000 contribution received on January 8, 2024, was not returned within 90 days of deposit and is therefore deemed accepted.

Order:

1. Although probable cause exists to believe that Gary Steuart LLC made a \$2,000 contribution that was accepted by the Gary Steuart for Minnesota 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 Gary Steuart for Minnesota committee and Gary Steuart LLC. If the investigation cannot be resolved by conciliation agreement, the executive director is directed to prepare findings to resolve this matter.



Faris Rashid, Vice Chair
Campaign Finance and Public Disclosure Board

Date: November 6, 2024