STATE OF MINNESOTA CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD

ORDER FOR A FORMAL INVESTIGATION

IN THE MATTER OF RIGHT NOW MINNESOTA AND 1854 INC.

Background

Right Now Minnesota (Right Now MN), Board registration number 41185, is an independent expenditure political committee that registered with the Board on December 19, 2017. The Board ordered a formal audit of the committee on November 1, 2023, for the purpose of determining if the reports of receipts and expenditures filed by the committee regarding 2022 were accurate. As originally filed the reports disclosed that the committee made no independent expenditures in 2022; instead, the committee reported paying \$319,000 to a vendor named 1854 Inc. (1854) for "Internet Access and Web Hosting". During the course of the audit Right Now MN filed two amended reports for 2022, which disclosed that the committee actually made \$290,128 in independent expenditures in support or opposition to 24 candidates.

The results of the audit were presented to the Board in executive session on July 10, 2024. Based on information provided by Right Now MN during the course of the audit, staff requested a formal investigation of Right Now MN to determine if the committee or Elliott Olson, the treasurer for Right Now MN in 2022, violated Minnesota Statutes sections 10A.13 (accounting requirements), 10A.025, subdivision 2 (false certification of a report), 10A.025, subdivision 3 (recordkeeping requirements), 211B.04 (disclaimer requirements), and 211B.12 (use of funds raised for a political purpose). In addition, staff requested a formal investigation to better understand the relationship between Right Now MN and its vendors Dakota Worldwide Corporation, Brick, Inc., and 1854. The Board approved the request to open a formal investigation, and the final audit report was signed by the Board Chair on July 18, 2024.

As part of the investigation, on September 12, 2024, Board staff deposed Elliott Olson. The deposition uncovered information that Board staff believes justifies broadening the scope of the investigation to include 1854.

1854 was a vendor used by Right Now MN to make independent expenditures, which has developed and maintained the committee's website since 2017. During the audit, a number of invoices from 1854 were provided to the Board. The CEO of 1854 is Anna Lotzer and the corporation is registered and active in Minnesota. Ms. Lotzer is the former spouse of Albin Andolshek. During the audit, Alec Beck, former counsel for Right Now MN, stated that "1854 Inc. has been uncooperative and has terminated operations." Nick Morgan, current counsel for

¹ mblsportal.sos.state.mn.us/Business/SearchDetails?filingGuid=058fcaaa-05c0-e711-8189-00155d01c6c6

Right Now MN, stated "Right Now would like to emphasize the complete failure of former vendor 1854, Inc. to cooperate with Right Now to answer CFB Staff requests for information." During the September 12 deposition, Mr. Olson stated that 1854 was responsible for creating and filing Right Now MN's 2022 year-end report, and determining which candidates would be the subject of independent expenditures paid for by Right Now MN. If these statements are correct, then 1854 may have violated the following provisions of Minnesota Statutes chapters 10A and 211B.

Analysis of Statutes Potentially Violated

Failure to Register

Minnesota Statutes section 10A.14, subdivision 1a requires an independent expenditure committee or fund to register with the Board by filing a registration statement with the Board no later than 14 days after the committee or fund received more than \$1,500 in contributions, or made more than \$1,500 in aggregate independent expenditures during a calendar year.

During the deposition, Mr. Olson explained the role of 1854 in making independent expenditures with Right Now MN funds.

Andrew Olson: 1854 registered as a corporation in Minnesota in November 2017, which was less than two months after Right Now Minnesota registered with the Campaign Finance Board and less than two weeks after Right Now USA registered with the Federal Election Commission. So was 1854 founded specifically to provide services to Right Now Minnesota and Right Now USA or is there some other explanation for that timing?

Elliott Olson: You're correct.

Andrew Olson: Did you communicate with 1854 at all in 2022 regarding how money was being spent or what they should spend money on?

Elliott Olson: The only communication there was I would tell them that I did -- I had cash or I didn't have cash. So I told them -- if I didn't have cash, I would say don't do anything.

Andrew Olson: And feel free to rephrase what I'm saying, but what I'm hearing is, essentially, the decision of what to spend money on was, essentially, outsourced to 1854. Is that correct?

Elliott Olson: Correct.

When asked about the primary contacts at 1854, Elliott Olson stated that Jennifer O'Donnell prepared the original and amended 2022 year-end reports.

Andrew Olson: Did you complete the first five reports covering 2022 for Right Now Minnesota?

Elliott Olson: No.

Andrew Olson: Who did?

Elliott Olson: Jennifer O'Donnell.

. . .

Andrew Olson: Was Ms. O'Donnell actually the person who entered data into the Campaign Finance Reporter software?

Elliott Olson: Yes.

Andrew Olson: Okay. And when Ms. O'Donnell finished entering data into the software, did you review the reports before they were filed with the board?

Elliott Olson: She would send me the reports sometimes, unless they were really on a close deadline.

Andrew Olson: And so when Ms. O'Donnell filed the reports, she was using your username and password for the Campaign Finance Reporter software, but would typically ask you to review the reports before filing them; is that correct?

Elliott Olson: She would send them to me.

Andrew Olson: And she was using your username and password for the software?

Elliott Olson: Yes.

When asked who Ms. O'Donnell was employed by, Elliott Olson stated 1854.

Andrew Olson: Was Ms. O'Donnell employed by Right Now Minnesota or 1854?

Who did she work for?

Elliott Olson: 1854.

Andrew Olson: Okay. So your understanding is that Ms. O'Donnell is an

employee of 1854?

Elliott Olson: I think she does temporary work; I don't think she's a full-time

employee.

Andrew Olson: So she may be a contractor?

Elliott Olson: Yes.

Elliott Olson also seemed to imply that Albin Andolshek was primarily responsible for the 1854 invoices and information given to Right Now MN.

Andrew Olson: Did Ms. O'Donnell have access to the 1854 invoices in 2022?

Elliott Olson: I would assume -- well, I would -- she had access -- no, she would have access to the payments on the bank statements.

Andrew Olson: So how did Ms. O'Donnell know what to enter in the Campaign Finance Reporter software if she didn't have those invoices?

Elliott Olson: Albin would have told her.

Andrew Olson: So -

Elliott Olson: I didn't send them to her, no.

Andrew Olson: So I presume that means that Albin Andolshek had

access to the 1854 invoices?

Elliott Olson: Yeah. Well, he's -- he would submit them.

Elliott Olson implied that Albin Andolshek was responsible for placing independent expenditure ads and selecting the candidates for whom the ads would be placed.

Andrew Olson: The amended 2022 year-end report lists independent expenditures for or against a total of 22 different candidates. How did Right Now Minnesota decide which candidates would be named in those advertisements?

Elliott Olson: I don't know.

Andrew Olson: Who purchased the advertisements?

Elliott Olson: 1854, I believe.

Andrew Olson: Do you know which individual from 1854 purchased the

advertisements?

Elliott Olson: They had a buyer there, Phil.

Andrew Olson: Phil? Do you know Phil's last name?

Elliott Olson: No, not -- I can't -- I know it, but I don't.

Andrew Olson: Do you know if Albin Andolshek placed any of those

advertisements?

Elliott Olson: He probably did, but I don't know for sure.

Andrew Olson: Okay. I don't mean to repeat myself, but I want to make sure we're clear on this point. Your testimony is that you did not personally authorize any of the expenditures made in 2022; is that correct?

Elliott Olson: What ex -- what -

Andrew Olson: Did you authorize any of the expenditures? Did you review any of the expenditures before they were made?

Elliott Olson: If they were done by 1854, no.

Andrew Olson: Okay. Who made decisions on whether to spend money or not? Was that entirely the decision of 1854?

Elliott Olson: Yes.

Andrew Olson: Okay. So I don't want to ask you to speculate, but to the best of your knowledge, 1854 was deciding which candidates were going to be named in the advertisements?

Elliott Olson: Yes.

Andrew Olson: Okay. Do you have any idea how 1854 decided which candidates would be named in those advertisements?

Elliott Olson: They didn't consult me on it, so I don't know.

If Elliott Olson's statements are correct, then 1854 may have been an independent expenditure political committee or fund in 2022, in which case it may have violated Minnesota Statutes section 10A.14, subdivision 1a by failing to register with the Board.

False Certification

The reports of receipts and expenditures generated by 1854 for Right Now MN disclosed no independent expenditures in 2022. Even if 1854 did not recognize a need to register with the Board as a political committee or fund, it must have known that it was making and distributing independent expenditures. Therefore, there may be a basis for finding that Ms. O'Donnell created and certified a report to the Board knowing that the report did not disclose independent expenditures, and there may be a basis for finding that 1854 was a political committee or an association with a political fund that was affiliated with Ms. O'Donnell.

Failure to File Reports

Minnesota Statutes section 10A.20, subdivision 2, generally requires political committees and funds to file a year-end report of receipts and expenditures covering each calendar year and five additional reports during a general election year. If 1854 was required to register as an independent expenditure committee or fund, then it was also required to file the required periodic reports in 2022. Therefore, 1854 may have violated Minnesota Statutes section 10A.20, subdivision 2, by failing to file reports with the Board.

Insufficient Disclaimer

Minnesota Statutes section 211B.04 generally requires campaign material to contain a disclaimer that identifies the person or campaign committee that paid for and prepared the material. The independent expenditures produced with funds from Right Now MN identified Right Now MN as the responsible committee for the advertisements. However, if 1854 was actually responsible for the independent expenditure advertisements, then the disclaimer did not accurately disclose the entity responsible for the advertisements.

Further, if 1854 was responsible for placing the independent expenditure advertisements, the radio advertisements in support of Scott Jensen for Governor do not appear to have included an adequate disclaimer. The disclaimer provided did not identify the advertisement as an independent expenditure. Under Minnesota Statutes section 211B.04, subdivision 2, paragraph (b), a broadcast disclaimer for an independent expenditure must state: "This independent expenditure is paid for by [name of entity participating in the expenditure]. It is not coordinated with or approved by any candidate, nor is any candidate responsible for it." The disclaimer used in the radio advertisements stated "Paid for by Right Now Minnesota. Not coordinated or approved by any candidate."

Analysis of Need for Expanded Investigation

Expanding the existing formal investigation to investigate possible violations by 1854 is necessary in order to provide the public with a more complete understanding of the relationship between Right Now MN and 1854 and who was responsible for the independent expenditures made in 2022 with funding from Right Now MN. In total, the possible violations could result in significant civil penalties against 1854. The investigation will likely involve obtaining statements under oath from Albin Andolshek, Anna Lotzer, and Jennifer O'Donnell. Testimony may also be sought from any other employee or contractor for 1854 that may have knowledge of the content of reports generated for Right Now MN, the process of determining what candidates would be the subject of independent expenditures purchased with funds from Right Now MN, or the relationship between 1854 and Right Now MN. The investigation will also request any documents that explain the process used to determine what candidates would be the subject of independent expenditures.

Order

1. An expansion of the investigation initiated by the audit of Right Now Minnesota is ordered to include 1854 Inc. and related parties regarding possible violations of Minnesota Statutes sections 10A.025, subdivision 2, 10A.14, subdivision 1a, 10A.20, subdivision 2, and 211B.04.

2.	. If sufficient information to conclude the investigation is not provided voluntarily, the Board's executive director may issue subpoenas pursuant to Minnesota Statutes section 10A.022, subdivision 2, and Minnesota Rules 4525.0500, subpart 6.	
Da	/ David Asp ovid Asp, Chair Impaign Finance and Public Disclosure Board	Date: October 2, 2024