

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

ORDER FOR A FORMAL INVESTIGATION

IN THE MATTER OF DENNIS SMITH, JOE REGNIER, AND THE DENNIS SMITH FOR ATTORNEY GENERAL COMMITTEE

Background

Dennis Smith for Attorney General was the principal campaign committee of Dennis Smith. Mr. Smith initially intended to seek the endorsement of the Republican Party of Minnesota in 2022, but decided not to seek the endorsement at the Party's state convention in May 2022. On May 17, 2022, he announced that he would not compete in the primary election, and he did not file to appear on the ballot.

The Dennis Smith for Attorney General committee registered with the Board in June 2021. The committee's original 2022 year-end report of receipts and expenditures, filed February 1, 2023, included a total of \$663,616.95 in receipts and a total of \$860,437.94 in expenditures and disbursements, resulting in an ending cash balance of \$42,550.66. That report was signed using the name of the committee's treasurer, Joe Regnier.

On April 4, 2024, Mr. Smith signed and filed a second amended 2022 year-end report, labeled as a termination report. The amendment included \$902,986.50 in total expenditures and disbursements, rather than \$860,437.94, resulting in an ending cash balance of \$2.10, rather than \$42,550.66. In total, the second amended report included \$42,548.56 in expenditures and disbursements that were not included within the original report.

On June 5, 2024, the Board ordered a formal investigation regarding possible violations of Minnesota Statutes sections 10A.025, subdivisions 2-3, 10A.13, and 10A.20, subdivision 3, by Dennis Smith, Joe Regnier, and the Dennis Smith for Attorney General committee. After Mr. Smith repeatedly failed to provide requested information voluntarily, the Board authorized the issuance of a subpoena on October 2, 2024, pursuant to Minnesota Statutes section 10A.022, subdivision 2, and Minnesota Rules 4525.0500, subpart 6. An administrative subpoena was served on Mr. Smith on November 19, 2024.

Mr. Smith provided copies of his campaign committee's bank statements on November 20, 2024. On December 9, 2024, Mr. Smith provided a spreadsheet listing 1,090 expenses paid using a credit card totaling \$42,548.36. On December 10, 2024, Mr. Smith provided a copy of his committee's data entered in the Board's Campaign Finance Reporter software for the year 2022, 37 pages of invoices, a spreadsheet listing nine expenses incurred by the Smith committee, and a spreadsheet listing contributions made to the Smith committee by credit card that included amounts and dates, but did not include any information about individual contributors.

The documentation provided regarding \$42,548.36 in expenses paid for using a credit card is important because \$42,553.46 was withdrawn from the Smith committee's bank account on December 16, 2022, in order to reimburse Mr. Smith for campaign expenses he paid for using his personal funds. The spreadsheet that Mr. Smith provided listing those expenses indicates that some of the expenses were not reasonably related to his campaign.

Statute Potentially Violated

Minnesota Statutes section 211B.12 provides that "Use of money collected for political purposes is prohibited unless the use is reasonably related to the conduct of election campaigns, or is a noncampaign disbursement as defined in section 10A.01, subdivision 26." The statute further provides that "Money collected for political purposes and assets of a political committee or political fund may not be converted to personal use."

The committee's bank statements show that expenses were paid on or after June 1, 2022, including \$600,000 in loan payments, a \$42,553.46 reimbursement paid to Mr. Smith, \$3,000 in contribution refunds, a \$15,000 contribution made to a political committee, and \$9,058.31 in expenses for which the purpose is unclear. By that date, Mr. Smith had announced that he would not compete in the primary election and the filing period had closed.

Of the 1,090 expenses paid for using Mr. Smith's credit card, 308 expenses totaling \$12,464.12 were incurred on or after June 1, 2022. The spreadsheet that Mr. Smith provided listing expenses paid using his credit card appears to include charges incurred by his children, including charges for Uber and Lyft rides in Europe and California, a charge from the Tonka Bay Marina, and charges for Amazon.com purchases. The spreadsheet includes a variety of charges incurred by Mr. Smith after June 1, 2022, including purchases from Amazon.com, grocery stores, gas stations, restaurants and nightclubs, coffee shops, various online retailers, and entertainment venues. Some of Mr. Smith's credit card charges appear to be for goods and services purchased from hotels and restaurants in Las Vegas, Nevada in December 2022. The spreadsheet also includes an abnormally high number of purchases for food, beverages, and general merchandise while Mr. Smith was campaigning for office.

Analysis

Pursuant to Minnesota Statutes section 10A.022, subdivision 3d, the executive director must submit to the Board a matter "that the board is to consider for the authorization of a formal investigation, other than a matter arising from a filed complaint." The respondents must be afforded the opportunity to be heard before the Board makes a determination regarding the submission. The respondents must also be sent a notice including a copy of the submission no later than the time the submission is provided to Board members.

When the Board receives a submission from the executive director the Board is required, by Minnesota Rules 4525.0340, subpart 2, to take one of the following actions:

- A. provide guidance and direct the executive director to begin or to continue a staff review;
- B. dismiss the matter without prejudice;
- C. order a formal investigation of the matter; or
- D. issue findings, conclusions, and an order resolving the matter.

“Unless the board directs the executive director to continue an existing staff review, the board's determination must be made in writing.” Minn. R. 4525.0340, subp. 2. The Board “must consider the evidence in the executive director's submission and the information and arguments in any statement submitted by the respondent,” and

must consider the type of possible violation; the magnitude of the violation if it is a financial violation; the extent of knowledge or intent of the violator; the benefit of formal findings, conclusions, and orders compared to informal resolution of the matter; the availability of board resources; whether the violation has been remedied; and any other similar factor necessary to decide whether the matter under review warrants a formal investigation.

Minn. R. 4525.0340, subp. 2. “An order for a formal investigation must describe the alleged violations to be investigated, the scope of the investigation, and the discovery methods available for use by the board in the investigation.” Minn. R. 4525.0340, subp. 3.

On February 5, 2025, Board staff notified Mr. Smith and Mr. Regnier and submitted this matter to the Board for authorization of an expanded formal investigation to include potential violations of Minnesota Statutes section 211B.12. The Board considered this matter during its meeting on February 13, 2025. Probable cause exists to believe that Mr. Smith, the Dennis Smith for Attorney General committee, or Mr. Regnier violated Minnesota Statutes section 211B.12.

Order

1. The formal investigation ordered on June 5, 2024, regarding possible violations of Minnesota Statutes sections 10A.025, subdivisions 2-3, 10A.13, and 10A.20, subdivision 3, by Dennis Smith, Joe Regnier, and the Dennis Smith for Attorney General committee, is expanded to include possible violations of Minnesota Statutes section 211B.12. The Board anticipates asking Mr. Smith to voluntarily provide additional information and making findings and conclusions on the basis of that information. If sufficient information is not provided voluntarily, the Board's executive director is authorized to issue subpoenas under Minnesota Statutes section 10A.022, subdivision 2, and Minnesota Rules 4525.0500, subpart 6.



David Asp, Acting Chair
Campaign Finance and Public Disclosure Board

Date: February 14, 2025