

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

**FINDINGS REGARDING  
THE DULUTH BUILDING TRADES VOLUNTEER PARTY FUND AND  
THE DULUTH BUILDING TRADES COUNCIL**

**Procedural Background**

In October 2003 the Campaign Finance and Public Disclosure Board ("Board") sent a routine reconciliation inquiry to the Duluth Building Trades Volunteer Party Fund ("the Fund") regarding the Fund's Report of Receipts and Expenditures for calendar year 2002. The inquiry questioned a \$7,500 contribution that the Minnesota DFL State Central Committee ("the DFL"), a registered political party unit, reported making to the Fund on October 31, 2002, that the Fund did not disclose on its Report of Receipts and Expenditures for calendar year 2002.

On December 18, 2003, Tim Andrew, attorney, submitted a response to the Board's inquiry on behalf of the Fund and the Duluth Building Trades Council ("the Association"), an unincorporated association of affiliated labor unions. The Duluth Building Trades Volunteer Party Fund is the registered political fund of the Duluth Building Trades Council.

Mr. Andrew stated that in October 2002 the Association received a check for \$7,500 from the DFL that the Association inadvertently deposited into the Association's general checking account and not the checking account of the Fund.

Mr. Andrew stated that the Association used Association funds to make \$3,611.60 in independent expenditure advertisements on behalf of Roger Moe. Mr. Andrew stated that these advertisements were "not made with the consent, authorization, cooperation or in concert with or at the request or suggestion of" the candidate committee or the candidate's party. Mr. Andrew states that the radio advertisements disclosed that they were "paid for by the Duluth Buildings and Trades Council" but did not include the independent expenditure disclaimer required by Minn. Stat. §10A.17, subd. 4. On December 23, 2003, Mr. Andrew also submitted an Affidavit of Independent Expenditures on behalf of the Duluth Building and Trades Council, signed by Jim Brown, the Treasurer of both the Association and the Fund.

Mr. Andrew stated that on December 17, 2003, the Association reimbursed the Fund \$7,500 and Mr. Andrew provided a copy of this check. Mr. Andrew stated "the officers of the DBCTC [the Association] did not knowingly commingle the money intended to be deposited into the Fund."

Mr. Andrew stated "in hindsight we now recognize that the deposit should have been made into the Fund; the independent expenditures paid out of the Fund; the disclaimers modified slightly in the radio ads, and; the Affidavit filed contemporaneously with the purchase of the radio ads...throughout this process the DBCTC [the Association] and the Fund have 'learned their lesson' and have become aware of and will follow the various requirements of the Campaign Finance and Public Disclosure Board." Mr. Andrew further stated "the officers of the DBCTC [the Association] and the Fund did not knowingly violate the prohibition against an association making expenditures on behalf of a candidate and further assure the Board that similar issues will not reoccur."

At its meeting on April 28, 2004, the Board instructed Board staff to request additional information from the Duluth Building and Trades Council and the Minnesota DFL State Central Committee regarding this matter.

Mr. Andrew provided an additional response on May 14, 2003, and stated, “no agent or employee of the Minnesota DFL State Central Committee directed, suggested, urged or requested any officer or agent of the Duluth Building Trades to make specific expenditures or independent expenditures on behalf of Candidate Roger Moe or any other candidate.”

On May 19, 2004, Alan Weinblatt, attorney, responded on behalf of the Minnesota State DFL Central Committee, and stated that the contribution to the Fund was “for the purpose of assisting the DBTVPF [the Fund] in its ordinary and usual activities.

The Board considered this matter at its meetings on April 28, 2004, and May 26, 2004. The Board’s decision was based upon Mr. Andrew’s letters, Mr. Weinblatt’s letters, and Board records.

**Based on the record before it, the Board issues the following:**

#### **EVIDENTIARY FINDINGS**

1. There is evidence that the Duluth Building Trades Volunteer Party Fund violated Minn. Stat. §10A.15, subd. 3, when the contribution from the Minnesota DFL State Committee was deposited into the general account of the Association and not into the account of the Association’s registered political fund. Upon notification from Board staff, \$7,500 was transferred from the Association’s general account to the account of the Association’s political fund. This transfer is reflected in the Duluth Building Trades Volunteer Party Fund’s Report of Receipts and Expenditures for calendar year 2003.
2. There is evidence that the Duluth Building Trades Council made an independent expenditure on behalf of a candidate without the disclaimer required by Minn. Stat. §10A.17, subd. 4.
3. There is no evidence to indicate that Jim Brown, treasurer of the Duluth Building Trades Council and treasurer of the Duluth Building Trades Volunteer Party Fund, knowingly omitted the independent expenditure disclaimer from the radio advertisement. Upon notification from Board staff, Mr. Brown filed an Affidavit of Independent Expenditures, certifying that the advertisement was made without any coordination with the candidate.

**Based on the above Statement of the Evidence, the Board makes the following:**

#### **FINDINGS CONCERNING PROBABLE CAUSE**

1. There is probable cause to believe that the Duluth Building Trades Council violated Minn. Stat. §10A.17, subd. 4, by running a radio advertisement on behalf of a candidate without the required independent expenditure disclaimer.

2. Minn. Stat. §10A.17, subd. 5, provides that a person who knowingly violates Minn. Stat. §10A.17, subd. 4, is guilty of a gross misdemeanor and subject to a civil penalty imposed by the Board of up to \$3,000. There is no probable cause to believe that the treasurer of the Duluth Building and Trades Council and the Duluth Building and Trades Volunteer Party Fund knowingly omitted the independent expenditure disclaimer.
3. There is probable cause to believe that the Duluth Building Trades Volunteer Party violated Minn. Stat. §10A.15, subd. 3, when a contribution intended for the Association's political fund was deposited into the account of the general fund of the Association. The contribution having been transferred to the account of the Association's political fund, there is no probable cause to believe this violation continues to exist.
4. Minn. Stat. §10A.15, subd. 4, provides that a political fund that violates Minn. Stat. §10A.15, subd. 3, is subject to a civil penalty of up to \$1,000.

**Based on the above Findings, the Board issues the following:**

#### **ORDER**

1. Having no evidence that any member of the Duluth Building Trades Council or the Duluth Building Trades Volunteer Party Fund knowingly violated Minn. Stat. §10A.17, subd.4, the Board imposes no penalty. The Board cautions the Duluth Building Trades Volunteer Party Fund that it should now be aware of all statutory provisions related to independent expenditures
2. Having evidence that the Duluth Building Trades Volunteer Party Fund violated Minn. Stat. §10A.15, subd. 3, the Board imposes a civil penalty of \$250, and advises the Duluth Building Trades Volunteer Party Fund that it should take steps to ensure that all contributions to the Fund are deposited into the correct account.
3. The Duluth Building Trades Volunteer Party Fund is directed to forward to the Board payment of the civil fine, by check or money order payable to the STATE OF MINNESOTA, within thirty days after receipt of this order.
4. If the Duluth Building Trades Volunteer Party Fund does not comply with the provisions of this order, the Board's Executive Director shall refer this matter to the St. Louis County Attorney for civil enforcement pursuant to Minn. Stat. § 10A.15, subd. 3.
5. The Board investigation of this matter is entered into the public record in accordance with Minn. Stat. §10A.02, subd. 11, and upon payment by the Duluth Building Trades Volunteer Party Fund of the civil fine imposed herein, the matter is concluded.
6. The Board investigation of this matter is hereby made a part of the public records of the Board pursuant to Minn. Stat. §10A.02, subd. 11.

Dated: May 27, 2004

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Wil Fluegel Chair  
Campaign Finance and Public Disclosure Board