

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

**Findings and Order in the Matter of Contributions to the Campaign for Ron Kresha  
(House) Committee from the Minnesota Young Republicans Local Club CD #8**

**Summary of the Facts**

Pursuant to Minnesota Statutes section 10A.27, subdivision 13, candidates, political party units, and political committees registered with the Campaign Finance and Public Disclosure Board may not accept a contribution in excess of \$100 from an association that is not registered with the Board unless the contribution is accompanied by financial disclosure of the donating association's receipts and expenditures in the form specified by statute. Acceptance of a contribution in excess of \$100 without the required disclosure is punishable by civil penalty of up to four times the amount of the contribution over \$100. A candidate has 60 days to return a contribution after which time the contribution is deemed to be accepted. Minn. Stat. 10A.15, subd. 3.

An unregistered association that makes a contribution of more than \$100 without the required disclosure is in violation of Minnesota Statutes section 10A.27, subdivision 13 (b). Failure to provide the appropriate disclosure with a contribution of more than \$100 is punishable by civil penalty of up to \$1,000.

On the 2012 year-end Report of Receipts and Expenditures filed with the Board, the Campaign for Ron Kresha (House) Committee disclosed receipt of a contribution on October 17, 2012, in the amount of \$170 from the Republican Party of Minnesota. This contribution actually was made by the Minnesota Young Republicans Local Club CD #8 (MNYR CD #8). MNYR CD #8 is not registered with the Board. As an unregistered association, MNYR CD #8 was required to provide the appropriate disclosure with its contribution to the Kresha Committee. No disclosure statement was provided with the contribution.

In a letter dated April 23, 2013, Representative Kresha stated that his committee had "incorrectly associated the contribution with the Republican Party of Minnesota." Consequently, the committee "did not realize that the \$170 contribution exceeded the \$100 limit for unregistered clubs."

In response to Board notice of the potential violation, Jeffrey Peil, the treasurer of the Minnesota Young Republicans, stated that the MNYR CD #8 was one of eight local clubs established by the Minnesota Young Republicans. Mr. Peil said that "the local clubs are their own independent units" but he had access to each club's financial documents. Mr. Peil confirmed that the MNYR CD #8 issued a check for \$170 to the Kresha Committee, which was cashed on November 29, 2012. Mr. Peil also provided that the MNYR CD #8 had dissolved in November 2012, and its checking account had been closed with a zero balance on March 1, 2013. Mr. Peil stated that the Kresha Committee was willing to return the contribution but because the MNYR CD #8 had disbanded, Mr. Peil was not sure if it was appropriate to accept the funds.

This matter was considered by the Board in executive session on May 7, 2013. The Board's decision is based on the correspondence and information received from Representative Kresha and Jeffrey Peil and on Board records.

**Based on the information outlined in the above Summary of the Facts and Relevant Statutes, the Board makes the following:**

### **Findings Concerning Probable Cause**

1. There is probable cause to believe that the Campaign for Ron Kresha (House) Committee violated Minnesota Statutes section 10A.27, subdivision 13, when it accepted a contribution in excess of \$100 from an unregistered association without receiving the appropriate disclosure with the contribution.
2. There is probable cause to believe that the Minnesota Young Republicans Local Club CD #8 violated Minnesota Statutes section 10A.27, subdivision 13 (b), when it made a contribution in excess of \$100 to the Campaign for Ron Kresha (House) Committee without providing the required disclosure with the contribution.
3. There is no probable cause to believe that the violations by the Campaign for Ron Kresha (House) Committee or the Minnesota Young Republicans Local Club CD #8 were intentional or were done with the intent to circumvent the provisions of Chapter 10A.

**Based on the above Findings Concerning Probable Cause, the Board issues the following:**

### **ORDER**

1. The Board imposes a civil penalty of \$70, one times the amount by which the contribution exceeded \$100, on the Campaign for Ron Kresha (House) Committee for accepting a contribution from an unregistered association without the disclosure required by Minnesota Statutes section 10A.27, subdivision 13.
2. The Campaign for Ron Kresha (House) Committee is directed to forward to the Board payment of the civil penalty by check or money order payable to the State of Minnesota within thirty days of receipt of this order.
3. The Campaign for Ron Kresha (House) Committee also is directed to forward \$70, the amount of the excess contribution, to the Board in lieu of returning this contribution to the Minnesota Young Republicans Local Club CD #8, which no longer exists. The money should be sent by check or money order payable to the State of Minnesota within thirty days of receipt of this order for deposit into the state general fund.
4. No civil penalty is imposed on the Minnesota Young Republicans Local Club CD #8 because the association no longer exists.
5. If the Campaign for Ron Kresha (House) Committee does not comply with the provisions of this order, the Board's Executive Director may request that the Attorney General bring an action for the remedies available under Minnesota Statutes section 10A.34.
6. The Board investigation of this matter is hereby made a part of the public records of the Board pursuant to Minnesota Statutes section 10A.02, subdivision 11, and upon receipt of the excess contribution and payment of the civil penalty imposed herein, this matter is concluded.

Dated: May 7, 2013

/s/ Andrew M. Luger  
Andrew M. Luger, Chair  
Campaign Finance and Public Disclosure Board

### Relevant Statute

**Minnesota Statutes section 10A.27, subdivision 13. Unregistered association limit; statement; penalty.** (a) The treasurer of a political committee, political fund, principal campaign committee, or party unit must not accept a contribution of more than \$100 from an association not registered under this chapter unless the contribution is accompanied by a written statement that meets the disclosure and reporting period requirements imposed by section 10A.20. This statement must be certified as true and correct by an officer of the contributing association. The committee, fund, or party unit that accepts the contribution must include a copy of the statement with the report that discloses the contribution to the board. This subdivision does not apply when a national political party contributes money to its affiliate in this state.

(b) An unregistered association may provide the written statement required by this subdivision to no more than three committees, funds, or party units in a calendar year. Each statement must cover at least the 30 days immediately preceding and including the date on which the contribution was made. An unregistered association or an officer of it is subject to a civil penalty imposed by the board of up to \$1,000, if the association or its officer:

(1) fails to provide a written statement as required by this subdivision; or

(2) fails to register after giving the written statement required by this subdivision to more than three committees, funds, or party units in a calendar year.

(c) The treasurer of a political committee, political fund, principal campaign committee, or party unit who accepts a contribution in excess of \$100 from an unregistered association without the required written disclosure statement is subject to a civil penalty up to four times the amount in excess of \$100.