

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

**FINDINGS AND ORDER IN THE MATTER OF
A COMPLAINT REGARDING THE REPUBLICAN PARTY ON MINNESOTA**

Summary of Allegations and Responses

On August 11, 2006, Alan Weinblatt, attorney representing Representative Tim Mahoney (“the Complainant”) filed a complaint with the Campaign Finance and Public Disclosure Board (“the Board”) against the Republican Party of Minnesota (“the RPM”).

The Complainant alleged that the RPM failed to report certain expenditures on the 2005 Report of Receipts and Expenditures. In specific the complaint alleges that the RPM conducted research on opposition candidates during 2005 and failed to report the expenditure(s) for the research. In the complaint Mr. Weinblatt states, “...I was surprised to find that the RPM did not report any expenditure for research on candidates opposing RPM-candidates. ...Opposition research paid for by the RPM or contributed in kind to the RPM must be reported as campaign expenditures.”

In support of the allegations the Complainant provided a copy of an article that appeared in the July 17, 2006, *St. Paul Pioneer Press*. In reference to the article Mr. Weinblatt states, “The Saint Paul Pioneer Press reported...that one Michael Brodkorb, “worked on opposition research for the Minnesota Republican Party from March 2002 until June 2005...” Further referencing the article Mr. Weinblatt states, “The article also quotes Terry Cooper, “a Virginia-based political researcher who has worked for Republican campaigns in 49 states, including Minnesota.” Cooper’s fees...appear nowhere in the RPM’s expenditure reports.” In addition Mr. Weinblatt references quotes from the article attributed to RPM Chariman Ron Carey indicating that the RPM has conducted opposition candidate research.

By letter dated August 16, 2006, the RPM was notified of the complaint and afforded an opportunity to respond. In a letter dated August 30, 2006, Tony P. Trimble and Matthew W. Haapoja, legal counsel for the RPM, responded to the complaint.

In response to the Complainant’s allegation that the RPM did not report expenditures for opposition research conducted by Michael Brodkorb, Mr. Trimble and Mr. Haapoja state, “The Complaint accurately states that Michael Brodkorb conducted opposition research on behalf of the RPM. All of these activities occurred as an *employee* of the RPM. ...All payments to Michael Brodkorb from the RPM for his employment were reported as required on RPM’s Periodic Reports of Receipts and Expenditures for all applicable reporting periods...”

In response to the allegation that the PRM did not report expenditures made to Terry Cooper for opposition research Mr. Trimble and Mr. Haapoja state, “...at no time has the RPM paid any amounts to Terry Cooper or otherwise received any in-kind contributions in the form of services

or other items of value from Terry Cooper. ...Accordingly, there is nothing for the RPM to report with respect to Mr. Cooper...”

In response to the Complainant’s references to Ron Carey, Mr. Trimble and Mr. Haapoja state, “The Complaint identifies RPM Chairman Ron Carey as representing that the RPM has conducted opposition research on candidates for public office. Although the RPM admits that such activities have occurred, all of the RPM’s opposition research activities...have been conducted by the RPM’s employees. ...All payments to these employees from the RPM for their employment duties were reported as required...”

In support of their response Mr. Trimble and Mr. Haapoja provided the Affidavit of Marina Taubenberger, Controller of the RPM. The affidavit confirms that Michael Brodkorb was a RPM employee from March 1, 2002, through July 31, 2005. The affidavit also states the RPM did not pay or receive in-kind contributions from Terry Cooper. Finally the affidavit also states that salary paid to RPM employees who conducted research on opposition candidates has been reported on the applicable RPM Reports of Receipts and Expenditures.

The matter was considered by the Board in executive sessions on August 15 and September 15, 2006. The Board’s decision was based upon the complaint, the responses from Mr. Trimble and Mr. Haapoja, the affidavit of Marina Taubenberger, and Board records.

Board Analysis

A political party unit must list (itemize) on a Report of Receipts and Expenditures any vendor from which the party unit has purchased in aggregate over \$100 in materials or services during the calendar year. Itemization includes the name of the vendor, the vendor’s address, and a description of the item or service purchased. The RPM’s 2005 Report of Receipts and Expenditures itemizes fourteen payments for “salary” to Michael Brodkorb. Political party units are not required to disclose the duties and activities of staff.

The *St. Paul Pioneer Press* article used to support the complaint states that Terry Cooper conducted opposition research for the Rod Grams Senatorial Campaign. Federal candidates and their reporting obligations are outside of the jurisdiction of the Board. No evidence is provided with the complaint that Terry Cooper provided services to the RPM. In contrast the RPM provides an Affidavit from its Controller that Terry Cooper has not been paid for services or provided in-kind contributions to the RPM.

An expenditure by a political party unit to a vendor for opposition candidate research is an expenditure that must be reported to the Board. However, if the opposition candidate research is conducted by staff as a part of their duties with the political party unit the disclosure of the staff’s salary meets the reporting obligation of Minnesota Statutes, section 10A.20.

Relevant Statutes

Minnesota Statutes, section 10A.20, subdivision 3 (g). Contents of report. The report must disclose the name and address of each individual or association to whom aggregate expenditures, including approved expenditures, have been made by or on behalf of the reporting entity within the year in excess of \$100, together with the amount, date, and purpose of each expenditure and the name and address of, and office sought by, each candidate on whose behalf the expenditure was made, identification of the ballot question that the expenditure was intended to promote or defeat, and in the case of independent expenditures made in opposition to a candidate, the candidate's name, address, and office sought. A reporting entity making an expenditure on behalf of more than one candidate for state or legislative office must allocate the expenditure among the candidates on a reasonable cost basis and report the allocation for each candidate.

Based on the above Statement of the Facts and Relevant Statutes and Administrative Rules, the Board makes the following:

Findings Of Probable Cause

1. There is evidence that the Republican Party of Minnesota itemized payments to Michael Brodkorb for staff services on the 2005 Report of Receipts and Expenditures. There is no evidence that the Republican Party of Minnesota made expenditures to, or received in-kind contributions from, Terry Cooper. There is evidence that the Republican Party of Minnesota conducts opposition candidate research with its own employees. The Board finds that there is no probable cause to believe that the Republican Party of Minnesota filed an inaccurate or incomplete Report of Receipts and Expenditures in 2005.

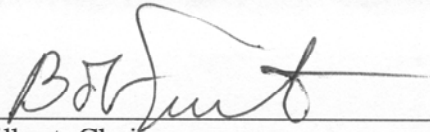
Based on the above Findings, the Board issues the following:

Order

1. The allegation that the Republican Party of Minnesota failed to report expenditures related to opposition candidate research is dismissed.

Board staff shall provide copies of these Findings to Mr. Weinblatt, Mr. Trimble, and Mr. Haapoja.

Dated: September 15, 2006



Bob Milbert, Chair
Campaign Finance and Public Disclosure Board