

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

**FINDINGS AND ORDER REGARDING  
THE BACHMANN (MICHELE) RE-ELECTION COMMITTEE**

**Facts Used In These Findings**

On March 22, 2006, Karl Bremer (“Complainant”) filed a complaint with the Campaign Finance and Public Disclosure Board (“the Board”) against the Bachmann (Michele) Re-Election Committee (“the Committee”).

The Complainant alleged that the Committee made expenditures that were to benefit, and therefore became in-kind contributions to, the Michele Bachmann for U.S. Congress Committee (Congressional Campaign). The Complainant further alleges that the Committee improperly categorized and reported these expenditures.

Minnesota Statutes, section 10A.27, subdivision 9, clause (c), prohibits principal campaign committees from making cash or in-kind contributions to a candidate for federal office. Minnesota Statutes, section 10A.20, subdivision 3, clause (g), provides that principal campaign committees report campaign expenditures that influence the nomination or election of the committee’s candidate.

Specifically, the Complainant provided a copy of a page from the Committee’s 2005 Report of Receipts and Expenditures that shows a \$300.00 payment to the Lumberjack Days Festival Association for the purpose of participating in the Lumberjack Days Festival Parade. The Complainant stated: “However, Bachmann did not appear in the Lumberjack Days Parade as a state senate candidate. She appeared in the parade as a candidate for the 6<sup>th</sup> congressional district.” In support of this allegation, the Complainant attached copies of photos available on the Congressional Campaign website ([www.michelebachmann.com](http://www.michelebachmann.com)). The photos were available on the website in a page labeled “Lumberjack Days 2005”. The photos show Senator Bachmann and supporters with stickers, signs, and t-shirts that are for the Congressional Campaign. In one of the photos, a car displaying campaign signs for the Committee and the Congressional Campaign is visible.

Additionally, the Complainant provided a copy of a page from the Committee’s 2005 Report of Receipts and Expenditures that discloses a \$205.15 payment to Comcast for the purpose of internet services. The Complainant stated: “However, the website listed for Bachmann’s state senate campaign committee on her year-end 2005 report to the CFB is [www.michelebachmann.com](http://www.michelebachmann.com). That is not Bachmann’s state senate campaign website. That is Bachmann’s congressional campaign website.”

The Complainant also provided a copy of a page for the Committee’s 2005 Report of Receipts and Expenditures that disclose a \$125.00 payment to the American Legion in Stillwater for participating in a parade. The Complainant states: “Bachmann’s state senate campaign committee also reported an expenditure...for \$125.00 to the American

Legion...for "Parade." Based on Bachmann's apparent illegal use of state senate campaign funds...and the fact that her state senate committee has been inactive, I urge the Board to investigate whether these parade expenses also were spent for congressional candidate Bachmann..."

On March 23, 2006, the Committee was notified of the complaint and afforded an opportunity to respond. In a letter dated April 7, 2006, Senator Bachmann responded on behalf of the Committee.

In response to the Complainant's allegation that Senator Bachmann participated in the Lumberjack Days Parade as a congressional candidate Senator Bachmann stated: "In fact, all activities related to the official parade were on behalf of my state senate committee. The car that was part of the parade bore signs for State Senate; all displays and all stickers handed out along the parade route were on behalf of my senate committee; and the attendance at the parade's VIP tent the Thursday night before the parade were related to my role as a State Senator. Again, all official parade activities that were covered by these expenditures were for my state senate committee."

In explanation of the photos provided with the complaint Senator Bachmann provided: "Only before the parade began and after the parade was over, and involving no expenditures whatsoever made to the Festival Association, did I and a few volunteers pose for pictures that were posted on my congressional campaign website. Again, these pictures were posed before and after the parade and were not taken during the parade or of any parade activities..."

In response to the Complainant's allegation that the Committee paid Comcast \$205.15 for the congressional committee website Senator Bachmann states: "In fact, this expense has absolutely nothing to do with any campaign website maintenance. My payments to Comcast are solely for a high speed internet connection into my home in Stillwater. I use this connection to receive faxes, check my Senate e-mails, and perform other State Senate functions."

In response to the Complainant's allegation that the Committee may have paid \$125.00 to the Stillwater American Legion for participation in a parade that benefited the congressional campaign Senator Bachmann provided: "My report erroneously lists "parade" under this item when it had nothing to do with any parade."

Minnesota Statutes, section 10.025, subdivision 4, requires a committee registered with the Board to amend a report submitted to the Board within 10 days of becoming aware that the report contains inaccurate information.

Board records show that an amendment to the Registration and Statement of Organization filed by the Committee on January 15, 2004, listed the web site [ww.michelebachmann.com](http://ww.michelebachmann.com) as the Committee's website. Board records further show that an amendment to the Registration and Statement of Organization filed by the Committee on April 6, 2006, provided that the Committee did not have a web site.

By letter sent April 14, 2006, the Board asked the Committee if the car displaying signs for the Committee and the Congressional Campaign participated in the parade; and asked for information on the timing and process used to transfer the web site [www.michelebachmann.com](http://www.michelebachmann.com) from the Committee to the Congressional Campaign.

By letter dated April 25, 2006, Senator Bachmann responded on behalf of the Committee. Senator Bachmann confirmed that the car depicted in the photo accompanying the complaint was used in the parade. Senator Bachmann states “The sign on the front bumper was placed in error, left over from our photos taken prior to the parade...the erroneous placement of the sign on the parade car, while it is something that should not have occurred, and that I regret, should not trigger a violation...” Senator Bachmann further stated: “...the campaign volunteers who inadvertently failed to remove a sign from my parade vehicle for its once-annual, 2-mile journey through my State Senate District, should not be regarded as conferring a monetary benefit on a federal committee...there is no practical (and non-arbitrary) method of determining what fraction of the total package of benefits received during the festival, is represented by the infringing sign.”

Minnesota Rule 4503.0100, subpart 4, provides that the “fair market value” of an item is the amount that an individual would pay to purchase the same item or service on the open market. Minnesota Rule 4503.0200, subpart 2, provides that a candidate is ultimately responsible for the conduct of the candidate’s committee staff and volunteers.

In response to the Board’s questions regarding the ownership and cost of the website Senator Bachmann provided: “...the costs of hosting the Internet site have been paid and reported on an annual basis by the campaign – whether state or federal – that benefited from the site’s content.” In explanation of who owned the web site domain name Senator Bachmann provided: “With respect to the organizational affiliation listed in the domain name registry, following the receipt of the complaint, we noticed that the correct affiliation was not listed in those records. The contract by which the domain name was obtained was executed in 2000, before the federal committee was in existence, and, until recently, the address information on the contract had not been updated...the absence of up-to-date information does not result a prohibited contribution to a federal committee.”

Reports filed by the Congressional Campaign with the Federal Election Commission disclose payments totaling \$641.00 for web services during April and May of 2005.

The Board in executive session considered the matter on April 12, and May 16, 2006. The Board’s decision was based upon the complaint, the responses from Senator Bachmann, Federal Election Commission reports for the Congressional Campaign, and Board records.

## Relevant Statutes and Administrative Rules

1. **Donation in kind.** Minnesota Statutes, section 10.01, subdivision 13, "Donation in kind" means anything of value that is given, other than money or negotiable instruments. An approved expenditure is a donation in kind.
2. **Changes and corrections.** Minnesota Statutes, section 10.025, subdivision 4, Material changes in information previously submitted and corrections to a report or statement must be reported in writing to the board within ten days following the date of the event prompting the change or the date upon which the person filing became aware of the inaccuracy. The change or correction must identify the form and the paragraph containing the information to be changed or corrected.

A person who willfully fails to report a material change or correction is guilty of a gross misdemeanor and is subject to a civil penalty imposed by the board of up to \$3,000.

3. **Contents of report.** Minnesota Statutes, section 10A.20, subdivision 3, clause (g). 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.
4. **Contributions to and from other candidates.** Minnesota Statutes, section 10A.27, subdivision 9, clause (c). A candidate's principal campaign committee must not accept a contribution from, or make a contribution to, a committee associated with a person who seeks nomination or election to the office of president, senator, or representative in Congress of the United States.
5. **Fair Market Value.** Minnesota Rule 4503.0100, subpart 4. "Fair market value" means the amount that an individual would pay to purchase the same or similar service or item on the open market.
6. **Officers of principal campaign committee.** Minnesota Rule 4503.0200, subpart 2. A candidate may be chair, treasurer, or both, of the candidate's own principal campaign committee. The candidate is ultimately responsible for the principal campaign committee's compliance with Minnesota Statutes, chapter 10A.

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

**Findings of Probable Cause**

1. There is evidence that the Committee paid for participation in the 2005 Lumberjack Days Parade. There is evidence that the Committee participated in the parade with an automobile displaying a sign for the Congressional Campaign. The Board finds that the inclusion of the sign in the parade is a service of value to the Congressional Campaign and therefore meets the definition of “donation in kind”, provided in Minnesota Statutes, section 10.01, subdivision 13.
2. There is evidence that the placement of the campaign sign for the Congressional Campaign on the car used in the parade was the inadvertent error by Committee volunteers. The Board finds that under Minnesota Rules part 4503.0200, subpart 2, Senator Bachmann is responsible for the conduct of the Committee’s volunteers and staff.
3. The Board finds that the Committee violated Minnesota Statutes, section 10A.27, subdivision 9, clause (c), when it displayed the Congressional Campaign sign during the parade.
4. There is evidence that the Committee’s \$300.00 payment to the Lumberjack Days Festival Association was for multiple services including, but not limited to, the right to participate in the Lumberjack Days Parade. There is no evidence that the Committee made a donation in kind to the Congressional Campaign of any service purchased from the Lumberjack Days Festival Association other than displaying a campaign sign for the Congressional Campaign during the course of the parade. The Board finds that under Minnesota Rules part 4503.0100, subpart 4, the “fair market value” of displaying the campaign sign for the Congressional Campaign is the cost that the Congressional Campaign would have paid by to participate in the parade.
5. There is evidence that the Bachmann Re-Election Committee paid Comcast \$205.15 in 2005 for internet services. There is no evidence that the payment to Comcast was for the development or hosting of the website [www.michelebachmann.com](http://www.michelebachmann.com). The Board finds that the payment by the Committee to Comcast was not a contribution to the Congressional Campaign.
6. There is evidence that the Bachmann Re-Election Committee paid \$125.00 to the Stillwater American Legion in 2005. There is evidence that the payment was not for participation in a parade as reported on the 2005 Year End Report of Receipts and Expenditures. There is no evidence that the Committee’s payment to the Stillwater American Legion was a donation to the Congressional Campaign. The Board finds that the purpose provided for the payment to the Stillwater American Legion disclosed on the Committee’s 2005 year-end Report of Receipts and Expenditures is inaccurate.

7. There is evidence that the domain name www.michelebachmann.com was used by the Committee and is currently used by the Congressional Campaign. There is evidence that the Congressional Campaign paid for the cost of developing and hosting the web site in 2005. The Board finds that the domain name "michelebachmann.com" is the personal property of Senator Bachmann. The Board further finds that the donation of a candidate's personal property to a federal campaign is not prohibited under Minnesota Statutes Chapter 10A.

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

**Order**

1. The Board directs the Committee to determine the portion of the \$300.00 payment to the Lumberjack Days Festival Association that corresponded to the right to participate in the parade. The Board further directs the Committee to bill the Congressional Campaign for the fair market value of participating in the 2005 Lumberjack Days Parade.
2. The Board directs the Committee to disclose on the appropriate 2006 Report of Receipts and Expenditures payment by the Congressional Campaign of the unpaid bill required in Order number 1. The payment from the Congressional Campaign must be reported on the schedule for miscellaneous income.
3. The Board directs the Committee to amend its 2005 year-end Report of Receipts and Expenditures to show the true purpose of the \$125.00 payment to the American Legion in Stillwater. The amendment must be submitted to the Board within 10 days of the date of these Findings.
4. The Board's 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. Board staff is directed to forward copies of these Findings to Karl Bremer and Senator Michele Bachmann.

Dated: May 16, 2006



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**Bob Milbert, Chair**  
Campaign Finance and Public Disclosure Board