

Board meeting schedule

The next Board meeting is scheduled for Tuesday, May 6, 2014.

Members Wiener and Beck stated that they had conflicts with that date and would not be able to attend. Executive Director Goldsmith said he would poll members for an alternate date during the week of April 21st.

EXECUTIVE DIRECTOR'S TOPICS

Status of office operations

Executive Director Goldsmith told members about several activities that had primarily occupied staff time since the last meeting. Staff completed three very large mailings involving lobbyist principal reports, economic interest recertification, and the first quarter report for constitutional office candidates, party units, and political committees and funds. Staff also released the latest version of Campaign Finance Reporter.

Mr. Goldsmith reported that the Information Policy Analysis Division had determined that it could not issue a data privacy opinion in response to a request from Senator Newman. Mr. Goldsmith said that the IPAD response highlighted the need to bring the data privacy terminology used in Chapter 10A into conformance with the language used in the Government Data Practices Act.

Hiring new staff

Executive Director Goldsmith informed members that Elizabeth Schroeder had left her position with the Board. Mr. Goldsmith said that Ms. Schroeder's 80%-time position had been posted as a full-time position, that he had received many applications, and that he and Assistant Director Sigurdson planned to interview candidates soon. The search for the .5 FTE clerical position will begin when the full-time position is filled.

Reconciliation of board data

Mr. Goldsmith reported that the activities discussed earlier had kept staff from making significant progress on the reconciliation. The amount of transactions unreconciled for 2012 remains at about \$35,000. Staff has documented the process used to enter paper reports and will next document the reconciliation process. Staff also made improvements to the campaign finance database that will allow more information to be collected and posted about contributions from unregistered associations.

Website Redevelopment

Mr. Goldsmith informed members that he was nearly finished with the questionnaire that is the introductory step in the MN-IT website development process. Members strongly agreed that the website redevelopment should be one of the Board's primary goals. Members noted that website development is expensive and that the recent increase in the Board's budget may not

be sufficient to provide everything expected by the legislature. Member Beck proposed that the Board put out a Request for Proposals to document how much the website redevelopment would cost. Chair Wiener emphasized the importance of sending regular reports to the legislature to keep it informed of the Board's progress in this area.

Analysis of expenditures for which source of funds is not known

Mr. Goldsmith reported that minimal progress has been made on this item. Changes will be made to the campaign finance database that will allow information about the underlying source of contributions from unregistered associations to be entered into that system.

Mr. Goldsmith also stated that staff resources currently were insufficient to track electioneering communication spending internally and that political entities doing this type of tracking probably would not be willing to publically share their data.

Legislative report

Mr. Goldsmith presented members with a chart showing the status of several campaign finance bills, which is attached to and made a part of these minutes. The Board's technical and disclosure bills both have met the necessary committee deadlines. Each legislative body has made different amendments to the bills.

After discussion about the status of the Board's bills, the following motion was made.

Member Sande's motion:	To reaffirm the Board's legislative recommendations.
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Vote on motion:	Unanimously passed.
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Board direction on handling excessive charitable contributions

Mr. Goldsmith presented the Board with a memorandum on this topic, which is attached to and made a part of these minutes. Mr. Goldsmith reported that candidates and committees sometimes report making charitable contributions that exceed the \$100 limit in Minnesota Statutes section 211B.12. In the past, when the Board did not have jurisdiction over Chapter 211B, staff worked informally with committees to have them recover the contribution or get reimbursement from the candidate. The statute has no penalty provision.

The Board now has jurisdiction over section 211B.12. Mr. Goldsmith asked for direction as to whether staff should continue to work informally to resolve these matters or should initiate formal investigations. After discussion, Member Beck made the following motion:

Whereas,
In instances where the Board has jurisdiction over excessive charitable contributions, pursuant to Minn. Stat. § 211B.12, and Board staff identifies a violation of the charitable

contribution limitation, the Board concludes that the appropriate remedy is to correct the violation and file an amended report, as no civil penalty is provided for in the statute.

Further, the Board concludes that the remedy of these violations should be handled on an informal basis where possible.

Now, Therefore,

In the case of an excessive charitable contribution on a report filed with the Board, the Executive Director is directed to engage the filer informally to correct the violation. The violation may be corrected by having the charity return the excessive portion of the contribution or, in the case of a principal campaign committee, by having the candidate reimburse the committee for the excessive portion of the contribution. Once the correction is completed, the committee should be required to file an amended report reflecting the changes. If this approach is unsuccessful, or the violator is unwilling to voluntarily remedy the violation, the Executive Director is directed to initiate a formal Board investigation.

Vote on motion: Unanimously passed.

BOARD MEMBER TOPICS

Use of social media

Member Sande noted that other agencies are using social media effectively to spread information about their programs. Member Sande recommended that the Board examine how existing communications also could be distributed through social media. Member Sande viewed this as a helpful bridge to the time when the new website is ready. Member Sande offered to share a report on the topic prepared in his office if members were interested.

Disclosure Conference “Shining the Light on Money”

Chair Wiener thanked Member Beck for his work on this conference. The conference was attended by 250 people, including several legislators, and was very informative. Chair Wiener also thanked Executive Director Goldsmith for his participation in the conference.

ENFORCEMENT REPORT

Consent Items

- A. Authorization for referral to the Office of the Attorney General for failure to file an amended 2012 Report of Receipts and Expenditures, a 2013 Report of Receipts and Expenditures, and failure to pay late fees associate with the 2012 election. Certified and first class letters were sent regarding late fees, the need to amend the 2012 report, and to file the 2013 report. Staff has also attempted to contact the candidate by phone.**

Benjamin Kruse, Minnesotans for Benjamin Kruse. During the 2012 election year, Mr. Kruse failed to timely file the Statement of Economic Interest required for candidates who file for office, as well as the preprimary-election report and the pre-general-election report resulting in \$500 in late filing fees. During the 2012 reconciliation audit there were nine contributions reported by donating committees that were not reported as received on the candidate's 2012 year-end report. The nine unreconciled contributions come to a total of \$2,650. There was also a public subsidy payment in the amount of \$223.61 that was not included in the report. The ending balance on the 2012 report that was filed on November 5, 2013, was \$6,074.30.

The 2013 annual Report of Receipts and Expenditures due on January 31, 2014, has not been filed. A late fee of \$1,000 will accrue on March 31, 2014.

B. Authorization for referral to the Office of the Attorney General for failure to pay a \$200 late fee and a \$2,000 civil penalty for the failure to timely file amendments to the 2011 Report of Receipts and Expenditures.

Greg Copeland for Senate. In response to an investigation the Greg Copeland for Senate committee was required to file amendments to the 2011 special election report and the 2011 year-end report. On February 7, 2013, staff informed Greg Copeland that two amended reports were not timely filed which resulted in \$200 in late filing fees and \$2,000 in civil penalties. The letter asked Mr. Copeland if he intended to terminate his committee and if so encouraged him to request a waiver or reduction of the fees and penalties. No response was received.

C. Confirmation of the administrative termination for the following lobbyists at the request of the Lobbyist Association:

1. On March 10, 2014, Angelia Dickens, general counsel for StudentsFirst, submitted a request that the lobbyist registration for James Trice be administratively terminated. Ms. Dickens states that Mr. Trice is no longer employed by StudentsFirst. The termination is effective as of December 31, 2013.

2. In a letter dated March 10, 2014, Nick Riley, Ramsey Count Intergovernmental Relations, requests the lobbyist registration of Dennis Egan be administratively terminated as of December 31, 2013, as he is no longer lobbying for Ramsey County.

3. In a letter dated March 19, 2014, John Lose, Minnesota Nurses Association, requests the administrative termination for Andrea Ledger effective March 14, 2014. Ms. Ledger registered on July 31, 2012 and authorized another lobbyist to report for her.

After discussion the following motion was made:

Member Peterson's motion:

To amend the referral of the Benjamin Kruse matter to include the collection of any civil penalties that accrues during the proceedings and to approve the consent items as amended.

Vote on motion:

Unanimously passed.

Discussion Items

Waiver Requests

<u>Name of Candidate or Committee</u>	<u>Reason for Fine</u>	<u>Late Fee Amount</u>	<u>Civil Penalty Amount</u>	<u>Factors for waiver</u>	<u>Board Member's Motion</u>	<u>Motion</u>	<u>Vote on Motion</u>
Charles Roulet Volunteer Comm	2013 Year-end Report	\$150	\$0	Mr. Roulet registered in 2012. He did not run for office in 2012 and used the software to file his year-end report. On Jan. 31, 2014, he uploaded a 2012 report indicating no change. Staff contacted him and he uploaded a 2013 no-change report.	Peterson	To waive the late fee.	Unanimous
Leslie Davis for Governor	2013 Year-end Report	\$125	\$0	Mr. Davis submitted a letter on Jan. 23, 2014, indicating there was no change for his committee. A similar letter was filed for 2012. The letter did not contain the certification language that is included on the reporting forms and was not accepted as a report. On Feb. 7, 2014, a one page reporting form was received.	Peterson	To waive the late fee.	Unanimous
James Putnam House of Rep	2013 Year-end Report	\$600	\$0	Mr. Putnam mailed a termination report on Mar. 7, 2014. In 2012 the committee balance was \$3.53 but could not terminate due to outstanding debt. Mr. Putnam no longer lives in Minnesota.	Peterson	To waive the late fee.	Unanimous
Committee to Elect Spencer Stevens	2013 Year-end Report	\$375	\$0	Mr. Stevens is currently serving in the military overseas. The treasurer of record is no longer serving in that capacity.	Peterson	To waive the late fee.	Unanimous
Redwood County RPM	2013 Year-end Report	\$50	\$0	Roald Haugen, treasurer, attempted to upload his report on Jan. 3, 2014, using the software.	Peterson	To waive the late fee.	Unanimous
Jeremy Kalin for Sec of State	2013 Year-end Report	\$25	\$0	Mr. Kalin had computer issues when working with the software.	Peterson	To waive the late fee.	Unanimous
Logan Campa for MN House	2013 Year-end Report	\$125	\$0	Mr. Campa requests that the late fee be reduced to the amount left in the campaign account which is \$91.94. He intends to terminate the committee.	Peterson	To reduce the late fee to \$91.94 on the condition that the committee	Unanimous

						terminate.	
Ted Grindal, lobbyist, Coalition for Impartial Justice	Lobbyist Disbursement Report	\$75	\$0	Mr. Grindal was responsible for filing 38 lobbyist disbursement reports on Jan 15 and 37 were filed on time. He states that due to a miscommunication between other lobbyists for the association he assumed the filing was completed.	Sande	To waive the late fee.	Unanimous
Mark Olson	2013 Year-end Report	\$150	\$0	Mr. Olson states that his committee was in transition to find a new treasurer and he intended to make the transition when the year-end report was filed. His phone service was interrupted which prevented staff from notifying him of his failure to file the report.	No motion.		

Informational Items

A. Payment of a late filing fee for January 31, 2014, 2013 year-end report:

Jim Arlt 4 Representative, \$25
 Lisa Fobbe for Senate 16, \$100
 Joseph Fricke for Senate, \$300
 Ed Matthews for Ramsey County Judge, \$75
 Geoff Michel for Senate, \$25
 Kevin Vickerman for Senate, \$150
 Volunteers for Louise Woodberry, \$25

8th Congressional IPMN, \$75
 Lower Sioux Pol Education Fund, \$300
 St Paul Ward 4, \$100

B. Payment of a late filing fee for January 15, 2014 lobbyist disbursement report:

Arthur Berman, Twin Cities Rise, \$50
 Doug Franzen, MN Cable Communications Assn, \$25
 Debra Holmgren, Portico Healthnet, \$25

Susan Stout, Amputee Coalition of America, \$50
 David Van Hattum, Transit for Livable Communities, \$100

C. Payment of a civil penalty for exceeding the special source aggregate contribution limit:

Committee to Elect Bobby Champion, \$1,000.

D. Deposit to the General Fund, State Elections Campaign Fund:

Minn Young Progressive Majority, \$207.81 (could not determine source)
Olmsted County RPM, \$25 (could not determine source)
Rypac, \$100 anonymous
Jeff Wilfahrt for House, \$250 (could not determine source)

LEGAL COUNSEL'S REPORT

Counsel Eller stated that direction was needed from the Board on the referral of the Steve Smith Volunteer Committee to the Office of the Attorney General. Mr. Goldsmith reported that the committee had not filed a 2013 report and that the referral therefore should be expanded to include production of this report and payment of any late fees and civil penalties that might accrue due to the late report. After discussion, the following motion was made.

Member Peterson's motion: To expand the referral of the Steve Smith Volunteer Committee to the Office of the Attorney General to include the production of the committee's 2013 year-end report and payment of any late fees and civil penalties that might accrue due to the late report.

Vote on motion: Unanimously passed.

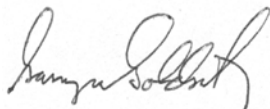
EXECUTIVE SESSION

The Chair recessed the regular session of the meeting and called to order the executive session. Upon completion of the executive session, the regular session of the meeting was called back to order and the chair had nothing to report into regular session:

OTHER BUSINESS

There being no other business, the meeting was adjourned by the Chair.

Respectfully submitted,



Gary Goldsmith
Executive Director

Attachments:

March 24, 2014, bill tracking list

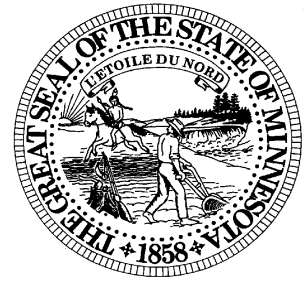
March 24, 2014, memorandum regarding excessive charitable contributions

Campaign Finance Bill Tracking

	House	Senate
Winkler disclosure	HF 1944 - Winkler	SF 1915 - Sieben
(SF contains Board language)	Elections 3/13 sent to general register	3/17 Elections 3/18 Rules - to Judiciary
Board technical	HF 2531 - Laine - E3	SF 2402 - Hoffman
	Elections 3/6 Civil law 3/10 - approve and to judiciary 3/18 - Judiciary 3/18 to general register	Elections - 3/10 - To Rules 3/18 Rules 3/19 State Gov - to Judiciary 3/20 Judic. passed to floor
Winkler	HF 1986	SF 1730 - Marty
Gift ban except repeal	Passed elections to floor 2/27 - second reading 3/10 - Passed House	3/17 Elections - Passed to full rules
Halverson	HF 1961 - Halverson	SF 1778 - Eken
EIS expansion	3/3 Elections - pass and to gov ops 3/14 Gov Ops - pass and to civil law 3/21 Civil Law - to General Register	3/12 Elections passed to full rules
Marty	HF 2876 - Freiberg	SF 2443 - Marty
Lobbyist contrib rptg	3/20 Elections - to Gen Register	3/17 elections Passed to full rules
Cohen	HF 2463 - Atkins	SF 2099 - Cohen
Corp contributions	3/18 House Elections - to Taxes	3/17 elections - to full rules 3/18 Rules - Passed to floor
Winkler	HF 3033	SF 2782 - Rest
Local reports on web	3/20 - Elections - to gen register	Elections - 3/26 WED 12:00

Minnesota

*Campaign Finance and
Public Disclosure Board*



Date: 3/24/2014

To: Board Members

From: Gary Goldsmith, Executive Director

Telephone: 651-539-1190

Re: Limit on Making Charitable Contributions

As of 2013, the Board has jurisdiction over Minnesota Statutes Section 211B.12, a provision governing the use of money collected for political purposes. The "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 Chapter 10A]." Section 211B.12 lists a number of permitted expenditures, one of which is a limited charitable contribution.

"Charitable contributions of not more than \$100 to any charity organized under section 501(c)(3) of the Internal Revenue Code" are permitted annually. For a terminating principal campaign committee that dissolves within one year after the contribution is made the \$100 contribution restriction does not apply.

Staff sees violations of the charitable contribution restriction in reports submitted to the Board. When the Board had no jurisdiction over section 211B.12 and staff saw potential violations, the Board suggested that the committee remedy the problem and file an amended report. To remedy the problem, the committee could obtain a return of the contribution from the recipient or, in the case of a principal campaign committee, the candidate could choose to reimburse the committee for the charitable contribution, thereby making it a candidate contribution. Now that the Board has jurisdiction over these violations, the Executive Director requests direction as to how to handle reported charitable contributions that exceed the statutory limit.

Under an informal option, the Executive Director would be directed to attempt to resolve an excess charitable contribution by working with the committee involved to ensure that the financial transaction is reversed, appropriate documentation is provided, and that the corrective actions are properly recorded in an amended report.

Alternatively, the Board could elect a formal option in which it would instruct the Executive Director to initiate an investigation in each case. This method would lead to a formal finding of a violation by the Board and would likely result in an order to reverse the transaction.

Under either option, there would be no civil or other penalty because none is provided by statute. It is also possible under either option that the committee would be unwilling or unable to remedy the violation. In such cases, the matter would be brought to the Board for a decision.

Should the Board wish to elect either approach suggested above, one of the resolutions below could be adopted as is or with amendments to meet the Board's requirements.

(1) Whereas,

In instances where the Board has jurisdiction over excessive charitable contributions, pursuant to Minn. Stat. § 211B.12, and Board staff identifies a violation of the charitable contribution limitation, the Board concludes that the appropriate remedy is to correct the violation and file an amended report, as no civil penalty is provided for in the statute.

Further, the Board concludes that the remedy of these violations should be handled on an informal basis where possible.

Now, Therefore,

In the case of an excessive charitable contribution on a report filed with the Board, the Executive Director is directed to engage the filer informally to correct the violation. The violation may be corrected by having the charity return the excessive portion of the contribution or, in the case of a principal campaign committee, by having the candidate reimburse the committee for the excessive portion of the contribution. Once the correction is completed, the committee should be required to file an amended report reflecting the changes. If this approach is unsuccessful, or the violator is unwilling to voluntarily remedy the violation, the Executive Director is directed to initiate a formal Board investigation.

(2) Whereas,

In instances where the Board has jurisdiction over excessive charitable contributions, pursuant to Minn. Stat. § 211B.12, and Board staff identifies a violation of the charitable contribution limitation, the Board concludes that the appropriate remedy is to correct the violation and file an amended report, as no civil penalty is provided for in the statute.

Further, the Board concludes that the remedy of these violations should be handled through a formal investigative process.

Now, Therefore,

In the case of an excessive charitable contribution on a report filed with the Board, the Executive Director is directed to initiate a formal Board investigation.

Please let me know if you have comments or suggestions that staff can prepare for distribution prior to the Board meeting.