

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

.....
January 8, 2021

Meeting conducted remotely though Webex due to COVID-19 pandemic

.....
MINUTES

The meeting was called to order by Chair Haugen.

Members present: Flynn, Haugen, Leppik, Rashid, Rosen (arrived during executive session), Swanson

Others present: Sigurdson, Engelhardt, Olson, Pope, Ross, staff; Hartshorn, counsel

MINUTES (December 2, 2020)

After discussion, the following motion was made:

Member Flynn's motion:	To approve the December 2, 2020, minutes as drafted.
------------------------	--

Vote on motion:	A roll call vote was taken. All members voted in the affirmative (Rosen absent).
-----------------	--

APPOINTMENT OF CHAIR AND VICE CHAIR FOR 2021

Mr. Sigurdson presented members with a memorandum regarding this issue that is attached to and made a part of these minutes. Mr. Sigurdson told members that at the August Board meeting, Member Haugen had been selected as chair, and Member Swanson had been selected as vice chair, for the remainder of 2020. Mr. Sigurdson said that, typically, at the January meeting the Board would elect the vice chair to serve as chair for the new year, and at the same time select a new vice chair. Mr. Sigurdson stated that Vice Chair Swanson was willing to serve as chair in 2021 but might have limited ability to participate in the February meeting. Member Swanson therefore had asked that Member Haugen continue to serve as chair at the January and February meetings. Mr. Sigurdson said that Member Haugen was willing to continue serving as chair for the additional two months, assuming of course that other Board members had no objections.

Mr. Sigurdson stated that because Member Haugen's term had expired at the end of 2020, there also was the possibility that Governor Walz would appoint someone to replace Member Haugen before the February meeting. Mr. Sigurdson told members that it therefore was important for the Board to appoint a new vice chair at the January meeting so that an officer would be available for the February meeting in the event that Member Haugen was no longer on the Board and Member Swanson was not able to participate. Mr. Sigurdson said that a motion was needed to extend the term of Chair Haugen through February of 2021; to elect Vice Chair Swanson as chair for the term of March through December of 2021; and to nominate and elect a member to serve as vice chair for all of 2021. Mr. Sigurdson stated that these actions could be combined into one motion. After discussion, members decided to delay a decision on the matter until later in the meeting when Member Rosen would be able to participate.

CHAIR'S REPORT

A. 2021 meeting schedule

The next Board meeting is scheduled for 10:00 a.m. on Wednesday, February 3, 2020.

EXECUTIVE DIRECTOR REPORT

Mr. Sigurdson presented members with a memorandum regarding this matter that is attached to and made a part of these minutes. Mr. Sigurdson introduced Erika Ross who had been hired to fill the vacant programs administrator position. Mr. Sigurdson told members that over 800 lobbyist reports were due on January 15th, over 3,000 economic interest statements were due on January 25th, and nearly 1,400 campaign finance reports were due on February 1st. Mr. Sigurdson said that staff had been busy sending out and answering questions about these filings.

Mr. Sigurdson also told members that the second public subsidy payment had been made in December. Mr. Sigurdson said that the Department of Revenue had discovered an error in the formula used to make the August public subsidy payment. The error had led to overpayments to 19 candidate committees and underpayments to another 19 committees. Mr. Sigurdson stated that the underpayments had been corrected with the December payment and that the overpaid committees had been asked to return the excess payment to the state. Mr. Sigurdson said that several committees already had returned the overpaid funds.

LEGISLATIVE RECOMMENDATIONS

A. Lobbying proposal

Mr. Sigurdson presented members with a memorandum regarding this matter that is attached to and made a part of these minutes. Mr. Sigurdson reviewed the new language that would require lobbyists to report bill and rule tracking numbers. Members had asked for this language at the December meeting. Mr. Sigurdson then asked members to consider removing a provision that would require registration as a lobbyist if a person was paid more than \$3,000 to facilitate access to a public official. Mr. Sigurdson explained that legislators and staff had been confused about the effect of this provision and that payment for facilitating access was not a common practice. Mr. Sigurdson also asked members to consider adding language to specify that a staff request for a more specific subject of interest on a lobbying report was a request for amendment covered by the notice and late fee provisions already in statute.

After discussion, the following motion was made:

Member Swanson's motion:	To approve the staff draft of the lobbying proposal as amended on page 1 to remove the "(a)" in clause (1) of the definition of lobbyist.
Vote on motion:	A roll call vote was taken. All members voted in the affirmative (Rosen absent).

B. Technical amendments

Mr. Sigurdson presented members with a memorandum regarding this matter that is attached to and made a part of these minutes. Mr. Sigurdson asked members to consider approving the 2020 technical amendment recommendations because those amendments were needed to improve program administration. Mr. Sigurdson said that two additional provisions had been found that needed technical corrections. One was a reporting provision that had two inaccurate cross references and the other contained incorrect language about where local officials file their statements of economic interest.

After discussion, the following motion was made:

Member Flynn's motion:

To approved the staff draft of the technical amendments.

Vote on motion:

A roll call vote was taken. All members voted in the affirmative (Rosen absent).

C. Policy recommendations

Members then discussed the policy recommendations that had been made in 2020. Members asked Mr. Sigurdson to bring these recommendations to the February meeting for discussion.

ENFORCEMENT REPORT

A. Waiver requests

3. Nobles County DFL (20110)

Mr. Olson told members that the Nobles County DFL was asking to waive a \$1,000 late filing fee that had been imposed for the 2020 pre-general report of receipts and expenditures. Mr. Olson said that the party unit had changed treasurers but had not notified Board staff. Consequently, the notices regarding the pre-general report were sent only to the previous treasurer, Mike McCarvel. Mr. McCarvel believed that the new treasurer was getting the notices too and was taking care of the report. Mr. Olson said that because staff had recently learned that the new treasurer had passed away, staff now was recommending that the entire late fee be waived. Mr. Olson stated that the party unit had received one prior waiver of \$300.

Mike McCarvel, the party unit's former treasurer, then addressed the Board. Mr. McCarvel agreed that the party unit had not notified the Board of the treasurer change. Mr. McCarvel told members that he was not worried about the report because the new treasurer was a responsible person. Mr. McCarvel said, however, that the new treasurer became ill with COVID but managed to file the report shortly before going into the hospital where he passed away. Mr. McCarvel said that the party unit also was asking for a waiver because the \$1,000 late fee was equivalent to 65% of the party unit's yearly income.

After discussion, the following motion was made:

Member Leppik's motion: To waive the entire \$1,000 late fee.

Vote on motion: A roll call vote was taken. All members voted in the affirmative (Rosen absent).

Name of Candidate or Committee	Late Fee & Civil Penalty Amount	Reason for Fine	Factors for waiver and recommended action	Board Member's Motion	Motion	Vote on Motion
50th Senate District RPM (20863)	\$100 LFF	2020 Pre-primary	The treasurer waited until deadline to try filing with CFR software and could not discern username needed to activate software. Report was due 7/27/2020 and was filed 7/29/2020 after treasurer was able to contact Board staff for assistance. Party unit reported cash balance of \$1,863 as of 10/19/2020. RECOMMENDED ACTION: Waive	Member Leppik	To approve the staff recommendation.	A roll call vote was taken. All members voted in the affirmative (Rosen absent).
60th Senate District RPM (20493)	\$1,000 LFF	2020 Pre-general	Party unit changed treasurers in late July but did not immediately notify Board staff. New treasurer was not given copy of party unit's 2020 CFR data or access to party unit's bank account. Report was due 10/26/2020 and no-change statement was filed 11/29/2020 listing cash balance of \$2,140 as of 10/19/2020. RECOMMENDED ACTION: Reduce to \$250	Member Leppik	To approve the staff recommendation.	A roll call vote was taken. All members voted in the affirmative (Rosen absent).
28th Senate District DFL (20719)	\$150 LFF	2020 Pre-general	Treasurer misunderstood due date. Report was due 10/26/2020 and no-change statement was filed 10/29/2020 listing cash balance of \$310. Party unit hasn't reported any financial activity since 2018 aside from payment of LFFs and CPs in 2019. RECOMMENDED ACTION: No action	No motion		

B. Informational items

1. Payment of civil penalty for disclaimer violation

Campaign Committee of Elliott W Engen, \$300

2. Payment of late filing fee for 2020 pre-general report of receipts and expenditures

BAILPAC, \$300
Carpenters Local 930 PAC, \$100
45th Senate District RPM, \$50
Neighbors for Aisha Gomez, \$50
Pile Drivers PAC Fund, \$50
62nd Senate District DFL, \$50

3. Payment of late filing fee for September 2020 report of receipts and expenditures

SEIU Local 26 Political Fund, \$75

4. Payment of late filing fee for 2020 pre-primary report of receipts and expenditures

Larkin Hoffman Political Fund, \$50

5. Payment of late filing fee for original EIS

Antonio Nerios, \$30

LEGAL COUNSEL'S REPORT

Mr. Hartshorn presented members with a legal report that is attached to and made a part of these minutes. Mr. Hartshorn told members that the pleadings in the Brown and NARAL Pro Choice matters were scheduled to go out for service on the day of the Board meeting.

OTHER BUSINESS

There was no other business to report.

EXECUTIVE SESSION

The chair recessed the regular session of the meeting and called to order the executive session. Upon recess of the executive session, the chair had the following to report into regular session.

Findings in the matter of the Board investigation of the Minneapolis DFL Committee

Findings in the matter of the complaint of Rachel Romansky regarding the Perry Nouis for Minnesota committee

Findings in the matter of the complaint of Donavon Indovino Cawley regarding the Vote Duckworth (Zach) committee

APPOINTMENT OF CHAIR AND VICE CHAIR FOR 2021

Mr. Sigurdson reviewed the issues regarding the appointment of the chair and vice chair for 2021.

After discussion, the following motion was made:

Member Flynn's motion: To extend Chair Haugen's term through February of 2021; to elect Vice Chair Swanson as chair for the term of March through December of 2021; and to nominate and elect Member Rashid to serve as vice chair for all of 2021.

Vote on motion: A roll call vote was taken. All members voted in the affirmative.

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

Respectfully submitted,



Jeff Sigurdson
Executive Director

Attachments:

Memorandum regarding appointment of chair and vice chair for 2021

Executive director's report

Memorandum regarding lobbyist legislative recommendations

Memorandum regarding technical amendments

Legal report

Findings in the matter of the Board investigation of the Minneapolis DFL Committee

Findings in the matter of the complaint of Rachel Romansky regarding the Perry Nouis for Minnesota committee

Findings in the matter of the complaint of Donavon Indovino Cawley regarding the Vote Duckworth (Zach) committee



MINNESOTA

CAMPAIGN FINANCE BOARD

Date: December 31, 2020

To: Board members

From: Jeff Sigurdson, Executive Director

Telephone: 651-539-1189

Re: Extension of Chair Haugen's term of office, selection of next Board chair and vice chair

At the August Board meeting Member Haugen was selected as chair for the remainder of 2020, and Member Swanson was selected as vice-chair for the remainder of 2020. Typically, at the January meeting, the Board then elects the vice chair to serve as chair for the new year, and at the same time selects a new vice chair.

Vice Chair Swanson is willing to serve as chair in 2021. However, Member Swanson may have limited ability to participate in the February meeting, and has requested that Member Haugen continue to serve as chair at the January and February meetings. Member Haugen is willing to continue to serve as chair for the additional two months, assuming of course that other Board members do not object.

There is the possibility that Governor Walz will appoint a new Board member to replace Member Haugen before the February meeting. It therefore is important that the Board appoint a new vice chair at the January meeting so that an officer is available for the February meeting in the event that Member Haugen is no longer on the Board and Member Swanson is not able to participate.

The following Board actions are needed to select officers for 2021:

- A motion to extend the term of Chair Haugen through February of 2021.
- A motion to elect Vice Chair Swanson as chair for the term of March through December of 2021.
- A motion to nominate and elect a member to serve as vice chair for all of 2021.

Two or more of the actions could be combined into a single motion at the discretion of the Board.



MINNESOTA CAMPAIGN FINANCE BOARD

Date: December 30, 2020

To: Board Members

From: Jeff Sigurdson, Executive Director

Telephone: 651-539-1189

Re: Executive Director's Report

Year-end Reports

All three major program areas, campaign finance, lobbying, and economic interest, have year-end filing requirements in January. A brief update for each program is listed below:

Lobbying Program Lobbyist disbursement reports covering the period of June 1 through December 31, 2020, are due on January 15, 2021. Notifications were sent to 816 lobbyists who will be filling one or more reports for their clients during the reporting period.

Campaign Finance Program The year-end report of receipts and expenditures for 2020 is due on February 1, 2021. Reports are expected from 315 party units, 696 candidate committees, and 349 political committees and funds.

Economic Interest Program The annual certification by public officials for 2020 is due on January 25, 2021. Staff expects to receive 3,024 annual certifications. Additionally, 119 original economic interest statements from county commissioners and soil and water conservation district supervisors elected for the first time in 2020 are due in early March.

2020 Public Subsidy Payments

On December 14th, staff processed a second public subsidy payment to candidates who qualified during the 2020 election. The December payment is much smaller than the payment made after the primary election as it is based on 2019 state tax returns processed by the Department of Revenue after the primary payment in August. In total, the Board issued \$2,131,887 in public subsidy payments to 349 candidates during 2020. A report showing the public subsidy payment made to each candidate by legislative district is attached for your reference.

The public subsidy payments issued by the Board are based in part on certifications from the Department of Revenue of party check-off funds derived from the state income and property tax forms. The certifications report the party account payments available by political party and legislative district. The certification used for the payments are received by the Board in August and December.

Prior to processing the December payments, I asked the Department of Revenue to confirm the amounts certified for districts near Duluth because the amounts available seemed out of line with the amounts available in neighboring districts. Upon review, the Department of Revenue determined that the formula that allocates funds based on the number of political party checkoffs received within a legislative district contained an error. The formula apportions the checkoff amounts by each county within a legislative district based on the total votes cast for the candidates of each political party at the preceding state general election. This year during the process of adding vote totals to the formula an error occurred, which lead to an inaccurate allocation of checkoff amounts in eight senate and twelve house districts.

The error was also present when the August certification was created, which resulted in some candidate committees being underpaid, and some being overpaid after the primary election. Based on a corrected December certification which eliminated the error, additional funds were paid to nineteen committees to make up for an underpayment in each committee's post primary public subsidy payment. I have also contacted the nineteen committees that were overpaid in the post primary public subsidy payment to inform the candidate and treasurer that the overpayment must be returned to the state for deposit in the state election fund. The following table shows the committees impacted by the error, and the amount of additional funds paid to the committee to correct the underpayment, or the amount that must be returned to correct the overpayment.

District	Party	Committee Name	Underpayment Amount
3B	RPM	Hjelle (Andrew) for 3B	\$276.33
3B	DFL	Mary Murphy Volunteer Committee	\$825.07
6B	RPM	Julie Buria Campaign Fund	\$350.48
7A	RPM	Sullivan (Thomas) For The House	\$112.95
7A	DFL	Jennifer Schultz Volunteer Committee	\$853.55
7B	RPM	Art Johnston for Minnesota House 7B	\$542.16
7B	DFL	Liz (Olson) for Duluth	\$2,810.93
8B	RPM	Team Franson (Mary Franson)	\$501.71
8B	DFL	People for Wenner (Carol) for MN House	\$486.37
9B	RPM	Campaign for Ron Kresha (House)	\$670.34
9B	DFL	Committee to Elect Laura Wright	\$560.10
12B	RPM	Paul H Anderson For 12B	\$192.80
12B	DFL	Campaign Fund for Ben Schirmers	\$146.02
7	RPM	Bergstrom (Donna) Volunteer Committee	\$328.00
7	DFL	Jen McEwen for State Senate	\$1,832.67
8	RPM	Ingebrigtsen (William) for Senate Committee	\$297.67
8	DFL	Michele (Anderson) for Minnesota	\$292.94
9	RPM	Gazelka (Paul) Volunteer Committee	\$406.61
9	DFL	A. John Peters for MN Senate	\$324.71
		Total	\$11,811.38

District	Party	Committee Name	Overpayment to Return
3A	DFL	Rob Ecklund for 3A Rep	(\$1,194.37)
3A	RPM	Thomas Manninen for House District 3A	(\$239.78)
6A	DFL	Julie Sandstede For MN House Committee	(\$582.87)
6A	RPM	Committee to Elect Rob Farnsworth	(\$210.44)
6B	DFL	Lislegard (David) For House 6B	(\$729.83)
11A	DFL	Sundin (Mike) Volunteer Committee	(\$635.80)
11A	RPM	Dotseth (Jeff) Volunteer Committee	(\$272.16)
12A	DFL	Murray Smart House District 12A	(\$389.75)
12A	RPM	Citizens for Jeff Backer Jr House	(\$436.63)
15B	DFL	Ron Thiessen for MN House 15B	(\$372.84)
15B	RPM	Shane Mekeland for MN House Representative	(\$388.69)
3	DFL	Bakk (Thomas) for Senate	(\$184.21)
6	DFL	Tomassoni (David) for State Senate	(\$655.91)
11	DFL	Michelle Lee for State Senate	(\$269.69)
11	RPM	Rarick (Jason) for Senate	(\$68.41)
12	DFL	Campaign for Jill Abahsain	(\$121.43)
12	RPM	Westrom (Torrey) for Senate Committee	(\$121.48)
15	DFL	KRIST (Brent) for SD15	(\$151.00)
15	RPM	Andrew (Mathews) for Senate	(\$141.17)
		Total	(\$7,166.46)

Additional funds were needed temporarily to issue the makeup payments to the committees that were underpaid. Party checkoff funds from the 2018 and 2019 tax years that should be carried forward to use for constitutional office candidates in 2022 were used for the payment. As the overpayments are returned, those funds will be largely replaced.

I have informed the Office of the Legislative Auditor of the error. I have also received a letter from the Department of Revenue that outlines how the error occurred and the steps the Department will take to prevent a repeat of the error in the future.

Attachments

2020 Public Subsidy Payments



MINNESOTA

CAMPAIGN FINANCE BOARD

Date: December 31, 2020

To: Board Members

From: Jeff Sigurdson, Executive Director

Telephone: 651-539-1189

Re: Legislative recommendations

Lobbyist Program Recommendations

At the December meeting the Board directed me to modify certain provisions of the legislative proposal for lobbying and then bring the proposal for final consideration at the January meeting. The requested changes were 1) to require a lobbyist to disclose the revisor document number for administrative rules that accounted for 25% or more of the lobbyist's effort on behalf of the represented entity; and 2) to require a lobbyist to disclose the bill number for legislative action that passed at least one body of the legislature and met the 25% reporting threshold for the association represented. The language making those changes is highlighted in yellow on the attached draft language for the lobbying program.

Additionally, there are also two other changes highlighted in yellow that staff recommends the Board include. The first, on page one of the draft, deletes the requirement to register as a lobbyist for individuals who facilitate access to public or local officials. In discussions with legislators and legislative staff I have been surprised at their reaction to what in my view is a relatively minor part of the overall proposal. The facilitating language is not directed at legislators or legislative staff, but that was a misconception I heard. In order to focus the discussion on the more important issue of meaningful disclosure I ask that the Board drop this provision, at least for now.

The second change is on page two, and clarifies that the Board's existing authority to require changes and corrections to submitted reports includes asking for additional detail about a specific subject of interest disclosed on a lobbyist disbursement report. The existing statutory language already applies to the lobbying program, but this leaves no doubt about its application.

I am also providing as reference the memo from the December meeting that reviewed the computer reporting screens for each section of the legislative proposal. I heard from several individuals that the legislative proposal was easier to follow when the reporting requirements were made more tangible in the screen mockups. The prototype reporting application is still available online at https://lobbyist.cfb.mn.gov/reporting_test/login if members are interested.

Generally, the reaction I have heard from legislators on the lobbying proposal is positive. I will talk more about those conversations at the meeting.

Technical Recommendations

The Board will recall that there are a number of technical recommendations that the Board approved last year that would improve the administration of Chapter 10A, or correct errors in statutory language. The technical changes are in staff's view noncontroversial as they do not recommend policy changes. The technical changes include the cross-reference error in the statute setting the deadline for filing the affidavit of contributions needed to qualify for the public subsidy program. The technical recommendations approved in 2020 are attached for Board consideration along with two new recommendations; one that fixes a statutory cross-reference error, and another that clarifies ambiguous language on where local officials file their economic interest statements. Both changes are highlighted in yellow and explained in more detail in the attachment. I recommend that the Board approve the technical recommendations for the upcoming session. I have not spoken to any legislator about the technical recommendations, but typically there is an opportunity to have noncontroversial legislation considered.

Recommendations for the Campaign Finance and Economic Interest Programs

In 2020 the Board decided, by a split vote, to recommend changes to the campaign finance and economic interest programs. The recommended changes to these two programs were also proposed in 2019 and are available on the Board's website at https://cfb.mn.gov/pdf/legal/Legislative_recommendations_2019.pdf . I suggest that the Board defer making recommendations for those two programs to a future legislative session. In my view it would be too much material, too heavy of a lift, to ask the legislature to consider the lobbyist proposal and all of these recommendations in one year. In practice, I am fortunate to get 15 minutes with a legislator to explain Board proposals, and that is simply not enough time to cover such a broad range of material. I also believe that the recommendations for the campaign finance and economic interest two programs could some additional work before being sent to the legislature.

This is just a recommendation. If the Board wishes to move forward with the proposals from 2020 I will of course present them to the legislature for consideration.

Attachments

Lobbyist Recommendations
Memo on Lobbying from December 2020 meeting
Technical Recommendations

Campaign Finance and Public Disclosure Board Lobbying Program Legislative Proposal

10A.01 DEFINITIONS

Minnesota Statutes 2018, section 10A.01, subdivision 21, is amended to read:

Subd. 21. **Lobbyist.** (a) "Lobbyist" means an individual:

(1) engaged for pay or other consideration of more than \$3,000 from all sources in any year for the purpose of attempting to influence legislative or administrative action, or the official action of a metropolitan governmental unit, (a) by communicating or urging others to communicate with public or local officials; ~~or (b) by facilitating access to public or local officials;~~ or

(2) who spends more than ~~\$3,000~~ 250 of the individual's personal funds, not including the individual's own traveling expenses and membership dues, in any year for the purpose of attempting to influence legislative or administrative action, or the official action of a metropolitan governmental unit, by communicating or urging others to communicate with public or local officials.

* * * *

Minnesota Statutes 2018, section 10A.01, is amended by adding subdivisions to read:

Designated lobbyist. "Designated lobbyist" means the lobbyist responsible for reporting the lobbying disbursements and activity of the entity the lobbyist represents. An entity that is represented by lobbyists may have only one designated lobbyist at any given time.

General lobbying category. "General lobbying category" means an area of interest for lobbying for an entity that is on a list of categories specified by the board.

Specific subject of interest. "Specific subject of interest" means a particular topic or area of lobbying interest within a general lobbying category. The specific subjects of interest for an entity during a reporting period are disclosed by a reporting lobbyist on the report submitted to the Board for that period. The specific subject of interest must be described with enough information to show the particular issue of importance to the entity represented.

Official action of metropolitan governmental units. "Official action of metropolitan governmental units" means any action that requires a vote or approval by one or more elected local officials while acting in their official capacity; or an action by an appointed or employed local official to make, to recommend, or to vote on as a member of the governing body, major decisions regarding the expenditure or investment of public money.

Legislative action. "Legislative action" means the development of prospective legislation; or the review, modification, adoption, or rejection of any bill, amendment, resolution, nomination, administrative rule, or report by a member of the legislature or employee of the legislature. "Legislative action" also means the development of prospective legislation, or a request for support or opposition to introduced legislation, with a constitutional officer. Legislative action includes the action of the governor in approving or vetoing any bill or portion of a bill.

10A.025 FILING REQUIREMENTS

* * *

Subd. 4. **Changes and corrections.** 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 request to a lobbyist to provide more detailed information about a specific subject of interest disclosed on a lobbyist disbursement report is a change or correction governed by this subdivision.

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

The board must send a written notice to any individual who fails to file a report required by this subdivision. If the individual fails to file the required report within ten business days after the notice was sent, the board may impose a late filing fee of \$25 per day up to \$1,000 starting on the 11th day after the notice was sent. The board may send an additional notice by certified mail to an individual who fails to file a report within ten business days after the first notice was sent by the board. The certified notice must state that if the individual does not file the requested report within ten business days after the certified notice was sent, the individual may be subject to a civil penalty for failure to file a report. An individual who fails to file a report required by this subdivision within ten business days after the certified notice was sent by the board is subject to a civil penalty imposed by the board of up to \$1,000.

10A.03 LOBBYIST REGISTRATION

Minnesota Statutes 2018, section 10A.03, subdivision 2, is amended to read:

Subd. 2. **Form.** The board must prescribe a registration form, which must include:

- (1) the name, address, and e-mail address of the lobbyist;
- (2) the principal place of business of the lobbyist;
- (3) the name and address of each individual, association, political subdivision, or public higher education system, if any, by whom the lobbyist is retained or employed or on whose behalf the lobbyist appears;
- (4) the website address of each association, political subdivision, or public higher education system identified under clause (3), if the entity maintains a website; ~~and~~
- (5) the general lobbying categories, description of the subject or subjects on which the lobbyist expects to lobby for the entity represented; and
- (6) if the lobbyist lobbies on behalf of an association, the registration form must include the name and address of the chief officers and directors of the association.

Minnesota Statutes 2018, section 10A.03, is amended by adding subdivision 6 to read:

Subd. 6. **General lobbying categories.** A list of general lobbying categories must be specified by the board and updated periodically based on public comment. The board must publish on its website the current list of general lobbying categories. Chapter 14 does not apply to the specification, publication, or periodic updates of the list of general lobbying categories.

10A.04 LOBBYIST REPORTS

Minnesota Statutes 2018, section 10A.04, subdivision 3, is amended to read:

Subd. 3. **Information to lobbyist.** An entity, or ~~employee lobbyist~~ about whose activities are reported to the Board by another a lobbyist is required to report must provide the information required by subdivision 4 to the designated reporting lobbyist no later than five days before the prescribed filing date.

Minnesota Statutes 2018, section 10A.04, subdivision 4, is amended to read:

Subd. 4. **Content.** (a) A report under this section must include information the board requires from the registration form and the information required by this subdivision for the reporting period. The determination of whether a legislative, administrative, or metropolitan governmental unit action or a Public Utilities Commission project met the 25% reporting threshold must be based on the lobbyist's reasonable, good faith estimate of the lobbyist's total efforts on behalf of the entity.

(b) A lobbyist must report the lobbyist's total disbursements on lobbying, separately listing lobbying disbursements to influence legislative action, lobbying to influence administrative action, and lobbying to influence the official actions of a metropolitan governmental units and a breakdown of disbursements for each of those kinds of lobbying into categories specified by the board, including but not limited to the cost of publication and distribution of each publication used in lobbying; other printing; media, including the cost of production; postage; travel; fees, including allowances; entertainment; telephone and telegraph; and other expenses.

(b) A lobbyist must report every state agency that had administrative action that the represented entity sought to influence during the reporting period. If an administrative action accounted for 25% or more of the lobbyist's effort on behalf of the represented entity during the reporting period, the lobbyist must report the specific subjects of interest for that action and the revisor docket number assigned to the action. The specific subjects of interest reported must be listed in the order of importance to the entity represented.

(c) A lobbyist must report every metropolitan governmental unit that considered official action that the entity represented sought to influence during the reporting period. If an official action by a metropolitan governmental unit accounted for 25% or more of that lobbyist's effort on behalf of the represented entity during the reporting period, the lobbyist must report the specific subjects of interest for that action. The specific subjects of interest reported must be listed in the order of importance to the entity represented.

(d) If a legislative action accounted for 25% or more of that lobbyist's efforts on behalf of the entity represented during the reporting period, the lobbyist must report the specific subjects of interest for that action. The specific subjects of interest reported must be listed in the order of importance to the entity represented. If a legislative action that meets the 25% reporting

threshold was included in a bill that passed at least one body of the legislature, the lobbyist must report the number of that bill.

(e) If a rate setting, power plant and powerline siting, or granting of certificate of need accounted for 25% or more of that lobbyist's effort on behalf of the principal or employer during the reporting period, the lobbyist must report the Public Utilities Commission project name for that action.

(f) A lobbyist must report the amount and nature of each gift, item, or benefit, excluding contributions to a candidate, equal in value to \$5 or more, given or paid to any official, as defined in section 10A.071, subdivision 1, by the lobbyist or an employer or employee of the lobbyist. The list must include the name and address of each official to whom the gift, item, or benefit was given or paid and the date it was given or paid.

(g) A lobbyist must report each original source of money in excess of \$500 in any year used for the purpose of lobbying to influence legislative action, administrative action, or the official action of a metropolitan governmental unit. The list must include the name, address, and employer, or, if self-employed, the occupation and principal place of business, of each payer of money in excess of \$500.

(h) The designated lobbyist must report disbursements made, and obligations incurred, that exceed \$2,000 for paid advertising used for the purpose of urging members of the public to contact public or local officials to influence official actions during the reporting period. Paid advertising includes the cost to boost the distribution of an advertisement on social media. The report must provide the date that the advertising was purchased, the name and address of the vendor, a description of the advertising purchased, and any specific subject(s) of interest addressed by the advertisement.

(i) On the report due June 15, the lobbyist must provide update or confirm a the general lobbying categories for the entity represented that were lobbied on in the previous 12 months.

Minnesota Statutes 2018, section 10A.04, subdivision 6, is amended to read:

Subd. 6. **Principal reports.** (a) A principal must report to the board as required in this subdivision by March 15 for the preceding calendar year.

~~(b) Except as provided in paragraph (d),~~ The principal must report the total amount, rounded to the nearest \$20,000-10,000, spent by the principal during the preceding calendar year to influence legislative action, administrative action, and the official action of metropolitan governmental units. on each type of lobbying listed below:

(1) lobbying to influence legislative action;

(2) lobbying to influence administrative action, other than lobbying described in clause (3);

(3) lobbying to influence administrative action in cases of rate setting, power plant and; powerline siting, and granting of certificates of need under section 216B.243; and

(4) lobbying to influence official action of metropolitan governmental units.

~~(c) Except as provided in paragraph (d), For each type of lobbying listed in paragraph (b), the principal must report under this subdivision a total amount that includes:~~

~~(1) the portion of all direct payments for compensation and benefits paid by the principal to lobbyists in this state for that type of lobbying;~~

~~(2) the portion of all expenditures for advertising, mailing, research, consulting, surveys, expert testimony, studies, reports, analysis, compilation and dissemination of information, social media and public relations campaigns, and legal counsel, used to support that type of lobbying related to legislative action, administrative action, or the official action of metropolitan governmental units in this state; and~~

~~(3) a reasonable good faith estimate of the portion of all salaries and administrative overhead expenses attributable to activities of the principal for that type of lobbying relating to efforts to influence legislative action, administrative action, or the official action of metropolitan governmental units in this state; and~~

~~(4) the portion of all lobbying disbursements not listed in clause (2) that were made or incurred on behalf of the principal by all lobbyists for the principal in this state for that type of lobbying.~~

~~(d) A principal that must report spending to influence administrative action in cases of rate setting, power plant and powerline siting, and granting of certificates of need under section 216B.243 must report those amounts as provided in this subdivision, except that they must be reported separately and not included in the totals required under paragraphs (b) and (c).~~

4511.0600 REPORTING DISBURSEMENTS

Minnesota Rules, part 4511.0600, subpart 5, is repealed.



MINNESOTA CAMPAIGN FINANCE BOARD

2021 Technical Legislative Recommendations

The Board has identified the following issues related to the administration of the economic interest and campaign finance programs that would benefit from statutory change or clarification. In the Board's view, these proposals are technical in nature because they do not raise new issues or dramatically affect the disclosure provided to the public. The suggested statutory language for the proposals is attached to this memorandum.

Economic interest statement program

- **Raising the dollar-level threshold for disclosure of honoraria.** Currently the annual EIS requires disclosure of each honorarium of over \$50 in the year covered by the statement. That amount has not been adjusted for inflation in decades (set in 1974), and could be increased to \$250 without affecting meaningful disclosure. A \$250 threshold for honoraria would conform to the threshold for disclosing other sources of compensation.
- **Ensure that Minnesota State Colleges and Universities trustees and its chancellor continue to file economic interest statements.** MNSCU trustees and the chancellor are currently filing EIS statements as public officials. However, it appears that a 2002 change in the definition of public official inadvertently excluded the MNSCU trustees and chancellor from the requirement to file the EIS statement, and from the gift prohibition. In other words, their disclosure is being provided voluntarily. Given that the MNSCU Board makes decisions regarding the expenditure of millions of dollars in public funds the Board believes that EIS disclosure should be required for these positions.
- **New - Ensure that local officials and candidates know that they must file EIS forms with their local units of government.** Minnesota Statutes section 10A.09, subdivision 6, specifies that local officials and candidates must file their EIS forms with their local units of government and that public officials must file with the Board. A few words in the subdivision specifying the time of filing, however, suggest that all statements must be filed with the Board. This has created confusion regarding where local officials and candidates must file their statements.
- **Eliminate requirement that local governments provide a notice of appointment for local officials to the Board.** Local governments in the metropolitan area are to notify the Board whenever they hire, or accept an affidavit of candidacy from, a local official who is required to file a statement of economic interest with that local entity. The Board, however, never uses this information because local officials do not file with the Board. Most local governments do not bother to file the notice, and even if they did the information would not have practical value.

- **Standardize economic interest statement reporting periods.** Minnesota Statutes section 10A.09, subdivision 6, clearly spells out the reporting period for the annual EIS. There is no such language defining the reporting period for an original statement. This creates confusion among filers and, in some cases, inconsistent disclosure between public officials. Additionally, EIS forms are divided into five disclosure schedules. For an original statement none of the schedules have the same reporting period. Standardization of the reporting period requirement would simplify completing the statement, and help staff's support of clients completing the statement.

Campaign finance program

- **Eliminate the contribution statement from Enterprise Minnesota, Inc. members.** Minnesota Statutes section 116O.03, subdivision 9, and section 116O.04, subdivision 3, require members of the Enterprise Minnesota, Inc. board of directors and its president to file statements with the Campaign Finance Board showing contributions to any public official, political committee or fund, or political party unit. These statements must cover the four years prior to the person's appointment and must be updated annually. The contributions that require itemization on these statements are already reported by the recipient committee to the Campaign Finance Board or, for county commissioners, to the county auditor. This disclosure therefore is at best repetitive. The Board is also not sure why this disclosure is required only of members of the Enterprise Minnesota, Inc. board of directors and its president, and for consistency, recommends eliminating the requirement.
- **New - Reporting third party reimbursements.** Minnesota Statutes section 10A.20, subdivision 13, describes how to report reimbursements to third parties. The cross reference to the provisions that govern how to report expenditures and noncampaign disbursements are incorrect. This change would correct the cross reference error.
- **Affidavit of contribution deadline.** Minnesota Statutes section 10A.323, provides that the affidavit of contributions required to qualify for a public subsidy payment must be submitted "by the deadline for reporting of receipts and expenditures before a primary under section 10A.20, subdivision 4." The cross reference to section 10A.20 subdivision 4, is incorrect as the deadline for submitting the pre-primary report is set in section 10A.20, subdivision 2. This change would correct the cross reference error.
- **Update acceptable multicandidate political party expenditures.** Political parties are provided five specific multicandidate expenditures that do not count either as a contribution to any candidate, or as an independent expenditure. One of the five multicandidate political party expenditures is funds spent operating a phone bank as long as the calls to potential voters include the name of three or more individuals who will appear on the ballot. The Board's recommendation is to update this expenditure to include direct text message services, direct voice mail services, and e-mails that meet the same standard of naming three or more individuals who will appear on the ballot.
- **Eliminate disclosure requirement for in-kind contributions between the federal and state committees of same political party.** Generally, an association not registered with the Board is required to provide underlying disclosure on the source of funds used for a contribution to a registered committee. Under current statute an exception to this requirement is made when the national committee of a political party (which is an unregistered association in Minnesota) contributes to the Minnesota state central committee of the same party. The Board recommends extending this exception

to include in-kind contributions made from a federal political party unit to a political party unit registered in Minnesota. The contributors to the federal party unit are already reported to the FEC, and federal contributions are more limited than contributions that may be accepted by the state party unit. Further the public is not gaining meaningful disclosure when, for example, the federal committee for the Republican Party of Minnesota is required to provide disclosure reports to the state central committee for the Republican Party of Minnesota for the in-kind donation of shared office space and staff costs.

- **Allow unregistered associations to provide disclosure statements on paper or through a government web address.** Currently, an unregistered association that makes a contribution of over \$200 to a candidate committee, political committee or fund, or political party unit, must provide a written disclosure statement with the contribution. The disclosure statement provides information on the finances of the unregistered association in detail that is equivalent to a campaign finance report filed under Chapter 10A. The committee that receives the contribution then forwards the statement from the unregistered association to the Board with the committee's next financial report. In practice, the majority of "unregistered associations" are in fact registered with either the Federal Election Commission (FEC) or in another state with an agency similar to the Board. The FEC and other state campaign finance agencies post reports filed by their registered committees to a government website. This proposal would allow an unregistered association to provide the written disclosure statement currently required by statute, or provide a link to a government website where the disclosure statement is available. The disclosure would still need to be equivalent to Chapter 10A, for example, it must have itemization of contributions and expenditures that are over \$200. If the reporting requirements for the state are not similar to Chapter 10A then a written report will still be required.

Campaign Finance and Public Disclosure Board Technical Legislative Proposals

Economic interest program

10A.01 DEFINITIONS

* * * *

Subd. 35. **Public official.** "Public official" means any:

(1) member of the legislature;

* * * *

(28) member of the Greater Minnesota Regional Parks and Trails Commission; or

(29) member of the Destination Medical Center Corporation established in section 469.41; or

(30) chancellor or member of the board of trustees of the Minnesota State Colleges and Universities.

10A.09 STATEMENTS OF ECONOMIC INTEREST

New - Subdivision 1. Time for filing. An individual must file a statement of economic interest ~~with the board~~:

(1) within 60 days of accepting employment as a public official or a local official in a metropolitan governmental unit;

(2) within 60 days of assuming office as a district court judge, appeals court judge, supreme court justice, or county commissioner;

(3) within 14 days after filing an affidavit of candidacy or petition to appear on the ballot for an elective state constitutional or legislative office or an elective local office in a metropolitan governmental unit other than county commissioner;

(4) in the case of a public official requiring the advice and consent of the senate, within 14 days after undertaking the duties of office; or

(5) in the case of members of the Minnesota Racing Commission, the director of the Minnesota Racing Commission, chief of security, medical officer, inspector of pari-mutuels, and stewards employed or approved by the commission or persons who fulfill those duties under contract, within 60 days of accepting or assuming duties.

* * * *

Subd. 2. **Notice to board.** The secretary of state or the appropriate county auditor, upon receiving an affidavit of candidacy or petition to appear on the ballot from an individual required by this section to file a statement of economic interest, and any official who nominates or employs a public ~~or local~~ official required by this section to file a statement of economic interest, must notify the board of the name of the individual required to file a statement and the date of the affidavit, petition, or nomination.

* * * *

Subd. 5. **Form; general requirements.** (a) A statement of economic interest required by this section must be on a form prescribed by the board. The individual filing must provide the following information:

(1) name, address, occupation, and principal place of business;

* * * *

(6) a listing of the principal business or professional activity category of each business from which the individual receives more than \$250 in any month during the reporting period as an employee, if the individual has an ownership interest of 25 percent or more in the business;

* * * *

~~(c) For the purpose of an original statement of economic interest, "compensation in any month" includes only compensation received in the calendar month immediately preceding the date of appointment as a public official or filing as a candidate.~~

~~(d)~~ For the purpose of calculating the amount of compensation received from any single source in a single month, the amount shall include the total amount received from the source during the month, whether or not the amount covers compensation for more than one month.

~~(e)~~ (d) For the purpose of determining the value of an individual's interest in real property, the value of the property is the market value shown on the property tax statement.

~~(f) For the purpose of an original statement of economic interest, the individual shall disclose only those real properties owned on the date of appointment as a public official or filing as a candidate.~~

~~(g)~~ (e) For the purpose of this section, "date of appointment" means the effective date of appointment to a position.

~~(h)~~ (f) For the purpose of this section, "accepting employment as a public official" means the effective date of the appointment to the position, as stated in the appointing authority's notice to the board.

Subd. 5a. Original statement; reporting period. (a) An original statement of economic interest required under subdivision 1, clause (1), must cover the calendar month before the month in which the individual accepted employment as a public official or a local official in a metropolitan governmental unit.

(b) An original statement of economic interest required under subdivision 1, clauses (2), (4), and (5), must cover the calendar month before the month in which the individual assumed, or undertook the duties of, office.

(c) An original statement of economic interest required under subdivision 1, clause (3), must cover the calendar month before the month in which the candidate filed the affidavit of candidacy.

Subd. 6. **Annual statement.** (a) Each individual who is required to file a statement of economic interest must also file an annual statement by the last Monday in January of each year that the individual remains in office. The annual statement must cover the period through December 31 of the year prior to the year when the statement is due. The annual statement must include the amount of each honorarium in excess of \$50 ~~\$250~~ received since the previous statement and the name and address of the source of the honorarium. The board must maintain each annual statement of economic interest submitted by an officeholder in the same file with the statement submitted as a candidate.

~~(b) For the purpose of annual statements of economic interest to be filed, "compensation in any month" includes compensation and honoraria received in any month between the end of the period covered in the preceding statement of economic interest and the end of the current period.~~

~~(c) An individual must file the annual statement of economic interest required by this subdivision to cover the period for which the individual served as a public official even though at the time the statement was filed, the individual is no longer holding that office as a public official.~~

~~(d) For the purpose of an annual statement of economic interest, the individual shall disclose any real property owned at any time between the end of the period covered by the preceding statement of economic interest and through the last day of the month preceding the current filing or the last day of employment, if the individual is no longer a public official.~~

Campaign finance program

10A.20 CAMPAIGN REPORTS

* * * *

New - Subd. 13. Third-party reimbursement. An individual or association filing a report disclosing an expenditure or noncampaign disbursement that must be reported and itemized under subdivision 3, paragraph ~~(g)~~ (h) or ~~(l)~~ (m), that is a reimbursement to a third party must report the purpose of each expenditure or disbursement for which the third party is being reimbursed. In the alternative, the reporting individual or association may report individually each of the underlying expenditures being reimbursed. An expenditure or disbursement is a reimbursement to a third party if it is for goods or services that were not directly provided by the individual or association to whom the expenditure or disbursement is made. Third-party reimbursements include payments to credit card companies and reimbursement of individuals for expenses they have incurred.

10A.27 CONTRIBUTION LIMITS.

* * * *

Subd. 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 \$200 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. The statement may be a written statement or a government web address where the disclosure report for the unregistered association may be viewed. 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 written statement or web address with the report that discloses the contribution to the board.

(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 \$200 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 \$200.

(d) This subdivision does not apply:

(1) when a national political party contributes money to its state committee; ~~or~~

(2) when the federal committee of a major or minor political party registered with the Board gives an in kind contribution to its state central committee, or a party organization within a house of the state legislature; or

(3) to purchases by candidates for federal office of tickets to events or space rental at events held by party units in this state (i) if the geographical area represented by the party unit includes any part of the geographical area of the office that the federal candidate is seeking and (ii) the purchase price is not more than that paid by other attendees or renters of similar spaces.

10A.275 MULTICANDIDATE POLITICAL PARTY EXPENDITURES.

Subdivision 1. **Exceptions.** Notwithstanding other provisions of this chapter, the following expenditures by a party unit, or two or more party units acting together, with at least one party unit being either: the state committee or the party organization within a congressional district, county, or legislative district, are not considered contributions to or expenditures on behalf of a candidate for the purposes of section 10A.25 or 10A.27 and must not be allocated to candidates under section 10A.20, subdivision 3, paragraph ~~(g)~~(h):

(1) expenditures on behalf of candidates of that party generally without referring to any of them specifically in a published, posted, or broadcast advertisement;

(2) expenditures for the preparation, display, mailing, or other distribution of an official party sample ballot listing the names of three or more individuals whose names are to appear on the ballot;

(3) expenditures for a telephone ~~conversation including~~ call, voice mail, text message, multimedia message, internet chat message, or e-mail when the communication includes the names of three or more individuals whose names are to appear on the ballot;

(4) expenditures for a political party fund-raising effort on behalf of three or more candidates; or

(5) expenditures for party committee staff services that benefit three or more candidates.

10A.323 AFFIDAVIT OF CONTRIBUTIONS.

(a) in addition to the requirements of section 10A.322, to be eligible to receive a public subsidy under section 10A.31 a candidate or the candidate's treasurer must:

* * * *

(3) submit the affidavit required by this section to the board in writing by the deadline for reporting of receipts and expenditures before a primary under section 10A.20, ~~subdivision 4~~ subdivision 2.

1160.03 CORPORATION; BOARD OF DIRECTORS; POWERS.

~~Subd. 9. **Contributions to public officials; disclosure.** Each director shall file a statement with the Campaign Finance and Public Disclosure Board disclosing the nature, amount, date, and recipient of any contribution made to a public official, political committee, political fund, or political party, as defined in chapter 10A, that:~~

~~(1) was made within the four years preceding appointment to the Enterprise Minnesota, Inc. board; and~~

~~(2) was subject to the reporting requirements of chapter 10A.~~

~~The statement must be updated annually during the director's term to reflect contributions made to public officials during the appointed director's tenure.~~

1160.04 CORPORATE PERSONNEL.

~~Subd. 3. **Contributions to public officials; disclosure.** The president shall file a statement with the Campaign Finance and Public Disclosure Board disclosing the nature, amount, date, and recipient of any contribution made to a public official which:~~

~~(1) was made within the four years preceding employment with the Enterprise Minnesota, Inc. board; and~~

~~(2) was subject to the reporting requirements of chapter 10A.~~

~~The statement must be updated annually during the president's employment to reflect contributions made to public officials during the president's tenure.~~

**CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD
January 2021**

ACTIVE FILES

Candidate/Treasurer/ Lobbyist	Committee/Agency	Report Missing/ Violation	Late Fee/ Civil Penalty	Referred to AGO	Date S&C Served by Mail	Default Hearing Date	Date Judgment Entered	Case Status
Sandra (Sandi) Blaeser		2018 Public Official Statement of Economic Interest	\$100 LFF and \$1,000 CP	9/11/20				
		2019 Public Official Statement of Economic Interest	\$100 LFF and \$1,000 CP					
Chilah Brown Michele Berger	Brown (Chilah) for Senate	Unfiled 2016 Year- End Report of Receipts and Expenditures	\$1,000 LFF \$1,000 CP	3/6/18	8/10/18			Removed from hold 9/14 at Board's request.
		Unpaid late filing fee on 10/31/16 Pre- General Election Report	\$50 LFF					
Alyssa Eichman	Swing Right PAC	Unfiled 2018 Year- End Report of Receipts and Expenditures	\$1,000 LFF \$1,000 CP	10/5/20				
		Late Filing of 2018 Pre-General Report due 10/29/18; filed on 10/30/18	\$50 LFF					
Kelly Gunderson		Candidate Statement of Economic Interest due 6/16/20	\$100 LFF \$1,000CP	9/23/20				

Candidate/Treasurer/ Lobbyist	Committee/Agency	Report Missing/ Violation	Late Fee/ Civil Penalty	Referred to AGO	Date S&C Served by Mail	Default Hearing Date	Date Judgment Entered	Case Status
Marcus Harcus	MN Campaign for Full Legalization	Original Statement of Economic Interest, due 6/16/20	\$100 LFF \$1,000 CP	10/5/20				
		Lobbyist Disbursement Report due 6/15/20	\$1,000 LFF \$1,000 CP					
		Lobbyist Disbursement Report due 1/15/20	\$1,000 LFF \$1,000 CP					
		Late Filing of Lobbyist Disbursement Report due 1/15/19; filed on 6/16/19	\$1,000 LFF					
		Late Filing of Lobbyist Disbursement Report due 6/15/18, filed on 6/27/18	\$200 LFF					
		Annual Lobbyist Principal Report, due 3/16/20	\$1,000 LFF \$1,000 CP					
Beau Hullerman		Candidate Statement of Economic Interest due 6/16/20	\$100 LFF \$1,000CP	9/23/20				
Tim Johnson		Candidate Statement of Economic Interest due 6/16/20	\$100 LFF \$1,000CP	9/11/20				

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

FINDINGS, CONCLUSIONS, AND ORDER

IN THE MATTER OF THE BOARD INVESTIGATION OF THE MINNEAPOLIS DFL COMMITTEE

Background

The Minneapolis DFL Committee is a political party unit registered with the Campaign Finance and Public Disclosure Board. In 2018, the Minneapolis DFL failed to file its pre-primary and pre-general reports of receipts and expenditures. Board staff sent first class and certified letters to the Minneapolis DFL's treasurer of record, David Gilbert-Pederson, notifying him of the need to file the reports. The party unit, however, did not file the missing reports or contact Board staff to explain why the reports were late. The Minneapolis DFL also failed to file its 2018 year-end report.

Board staff prepared a request for the February 6, 2019, Board meeting to refer the Minneapolis DFL to the attorney general's office for litigation to obtain the missing reports and to collect the late filing fees and civil penalties that had accrued for those reports. Shortly thereafter, the Minneapolis DFL, through its attorney David Zoll, contacted Board staff to state that the party unit was working to submit the 2018 reports. Board staff then withdrew the referral request during the February meeting.

After working with Board staff, the Minneapolis DFL filed its 2018 pre-primary, pre-general, and year-end reports on November 27, 2019. Mr. Zoll told staff, however, that while completing the 2018 reports, the Minneapolis DFL had discovered that its 2017 year-end report was inaccurate and appeared to be missing significant receipts and expenditures. In addition, the 2018 beginning cash balance did not match the ending cash balance on the 2017 year-end report previously filed by the party unit. Board staff asked the Minneapolis DFL to provide detailed information about the missing receipts and expenditures and to explain the balance discrepancy. When Board staff met with Mr. Zoll in December 2019 to discuss the next steps in the matter, Mr. Zoll indicated that the party unit also had discovered some minor discrepancies on its 2016 year-end report.

On February 21, 2020, Mr. Zoll provided a letter summarizing the issues with the Minneapolis DFL's 2017 year-end report. The party unit also provided copies of its bank statements and a spreadsheet listing the dates and amounts of the transactions missing from its 2017 report. The letter stated that in May 2018 the Minneapolis DFL had elected Devin Hogan as its chair and Mr. Gilbert-Pederson as its treasurer. Mr. Hogan and Mr. Gilbert-Pederson claimed that they had been unable to obtain access to the Minneapolis DFL's bank accounts and other financial information from the former chair. The letter said that in March 2019, with Mr. Zoll's assistance, the party unit had been able to complete the transfer of its two bank accounts to the new officers.

The letter also stated that the bank records showed that approximately \$23,000 in receipts and \$26,000 in expenditures had been omitted from the Minneapolis DFL's 2017 year-end report. The Minneapolis DFL claimed that because the former chair had refused to provide any records, it could not determine from whom the missing contributions had been received or to whom the missing payments had been made. The party unit proposed filing a letter amendment for 2017 that listed only the dates and amounts of the missing transactions. The letter also described minor amendments that were required for the 2016 year-end report and stated that a \$1,242.51

downward adjustment was needed to the beginning balance on that report to account for discrepancies that predated January 1, 2016.

Given the significant discrepancies between the amounts on the Minneapolis DFL's 2017 year-end report and the amounts shown on its bank statements and the party unit's inability to explain those discrepancies, the Board granted the executive director's request to open an investigation of the Minneapolis DFL on March 6, 2020. The potential violations to be investigated included the following:

1. Certification of a report of receipts and expenditures knowing that the report contained false information or omitted required information, and being a party unit associated with someone who certified such a report, in violation of Minnesota Statutes section 10A.025, subdivision 2.
2. Failure to maintain for four years financial records which may be used to verify filed reports, and being a party unit affiliated with someone who failed to maintain these records, in violation of Minnesota Statutes section 10A.025, subdivision 3.
3. Failure to maintain accounts of contributions received and expenditures made by a political party unit in violation of Minnesota Statutes section 10A.13.
4. Failure to file reports that accurately disclosed all of a party unit's financial transactions in violation of Minnesota Statutes section 10A.20, subdivision 3.

As part of the investigation, Board staff attempted to contact the party unit's former chair, Alicia Bennett, and its former treasurer, Seth Zawila, to obtain information related to the Minneapolis DFL's finances. Board records show that Ms. Bennett became chair in September 2017 and served until May 2018. The letter to Ms. Bennett was returned because the address was no longer valid.

Mr. Zawila, however, provided Board staff with copies of the party unit's 2017 and 2018 Campaign Finance Reporter (CFR) databases. These databases contained all of the information on the party unit's 2017 report and the information that Mr. Zawila had entered for the party unit in 2018. Mr. Zawila explained that he had taken over from treasurer Dana Gutierrez in December 2017 to file the 2017 year-end report. Board records show that Ms. Gutierrez took over as treasurer in September 2017 from Tim Bonham, who had been in that office for over ten years. Mr. Zawila believed that the treasurer transition in September had not been voluntary.

Mr. Zawila stated that when he met with Ms. Gutierrez, she gave him the party unit's financial records, including the party unit's 2017 CFR database. Mr. Zawila then filed the 2017 year-end report using the information that he had received. Mr. Zawila said that when he later learned that information from the party unit's second bank account and a union contribution had been omitted from the 2017 report, he filed two separate amendments to correct these omissions. When Mr. Zawila looked at the reports to respond to the Board request, however, he discovered that only the amendment adding the union contribution had been received. Mr. Zawila said that he met with Mr. Hogan and Mr. Gilbert-Pederson, the party unit's new chair and treasurer, on May 31, 2018, and gave them the CFR database information for 2017 and 2018, bank statements from both of the party unit's bank accounts, and access to the party unit's primary account.

Board staff used the database information provided by Mr. Zawila to determine which bank transactions were included on the party unit's 2017 report. The chart below shows the discrepancies in receipts and expenditures between the party unit's 2017 report and its primary bank account.

	2017 report	2017 bank account¹	Difference
Total receipts	\$22,031.54	\$52,087.65	\$30,056.11
Total expenditures	\$32,088.63	\$61,827.04	\$29,738.41

On October 8, 2020, Board staff asked the Minneapolis DFL to contact its bank to obtain copies of all of its deposit records. Board staff also asked the party unit to obtain cancelled checks for 16 missing expenditures that were over \$200 and therefore should have been itemized on the 2017 report. The deposit records showed that at least \$16,045 of the omitted receipts were from sources that should have been itemized on the party unit's report. The deposit records were not able to provide any information regarding the source of \$21,869.30 of the party unit's overall receipts. The check records provided the names of the vendors for the 16 omitted expenditures. These 16 expenditures accounted for \$27,107.74 of the \$29,738.41 in unexplained expenses.

Analysis

To help ensure that the public knows where money collected for political purposes has come from and how that money has been spent, party units must disclose all of their financial transactions on reports that are filed with the Board. Minn. Stat. § 10A.20, subd. 3. Chapter 10A also requires party units to obtain and maintain internal records of their financial transactions. Minnesota Statutes section 10A.13 requires party units to obtain the name and address of each source of a contribution over \$20 and a receipted bill for any expenditure over \$100. In addition, Minnesota Statutes section 10A.025, subdivision 3, specifically provides as follows:

A person required to file a report or statement or who has accepted record-keeping responsibility for the filer must maintain records on the matters required to be reported, including vouchers, canceled checks, bills, invoices, worksheets, and receipts, that will provide in sufficient detail the necessary information from which the filed reports and statements may be verified, explained, clarified, and checked for accuracy and completeness. The person must keep the records available for audit, inspection, or examination by the board or its authorized representatives for four years from the date of filing of the reports or statements or of changes or corrections to them.

When a report filed with the Board does not accurately disclose all of a party unit's transactions, the party unit must promptly amend that report. Minn. Stat. § 10A.025, subd. 4. In addition, the Board may impose a civil penalty of up to \$3,000 on a person who knowingly fails to keep the required records as well as an additional civil penalty of up to \$3,000 on the party unit affiliated with that person. Minn. Stat. § 10A.025, subd. 3 (b).

In this case, the party unit had three treasurers in 2017: Tim Bonham, Dana Gutierrez, and Seth Zawila. As a treasurer for over ten years, Mr. Bonham must have known that he needed to keep financial records for the party unit in order to file reports with the Board. Mr. Zawila stated that when he took over from Ms. Gutierrez, she gave him the party unit's financial records to use to file the 2017 report. Mr. Zawila then filed the 2017 report based on those records. This

¹ This column only includes transactions from the primary bank account. The only transaction in 2017 for the second bank account was \$3.50 in interest earned.

information shows that Ms. Gutierrez and Mr. Zawila also knew that they needed to keep records of the party unit's financial transactions.

Yet despite this knowledge, the party unit has no records of the names and addresses of each source of a contribution over \$20 for 2017. Nor does the party unit have receipted bills for all of its expenditures over \$100 during 2017. Although the party unit was able to obtain some records after the fact from its bank, it still cannot explain the source of \$21,869.30 in receipts or the purpose of \$27,107.74 in expenditures. In short, the record here shows that the party unit's treasurers failed to collect and maintain all required records for the party unit in 2017.

The Minneapolis DFL ultimately is responsible for the inadequate recordkeeping that occurred in this matter. During 2017, the party unit had three treasurers. New officers were chosen again just five months later in May 2018. Even if the party unit had procedures in place to guide treasurer transitions, the lack of records in this matter shows that those procedures were not followed. The fact that an officer transition is not voluntary or is acrimonious does not absolve a party unit of its recordkeeping and oversight responsibilities. Further, when a party unit has significant changeover between treasurers it should take all steps necessary to ensure that all required records are kept during these times of leadership transition or disagreement.

The party unit's inadequate oversight and recordkeeping led to the filing of inaccurate reports with the Board in violation of Minnesota Statutes section 10A.20, subdivision 3. Specifically, due to its lack of recordkeeping, the party unit omitted \$30,056.11 of its receipts and \$29,738.41 of its expenditures from its 2017 report. These amounts are very large on their own. In this case these amounts are even more significant because they represent over half of the party unit's total receipts and nearly half of its total expenditures. The omissions also are significant because if adequate records had been kept, the sources of an additional \$16,045 in receipts and the recipients of \$27,107.74 in expenditures would have been specifically identified on the 2017 report.

The failure to keep adequate records in 2017 also led to the Minneapolis DFL's failure to timely file its 2018 reports. The party unit officers who took over in May 2018 have explained that they did not file the 2018 reports because they believed that they did not have access to all of the party unit's financial records. As a result, the Minneapolis DFL incurred \$3,000 in late fees for the 2018 reports: \$1,000 each for the pre-primary, pre-general, and year-end reports. The party unit also incurred \$2,000 in total civil penalties: \$1,000 for the pre-primary report and \$1,000 for the pre-general report.

When deciding whether to impose a civil penalty for a violation of the recordkeeping requirements, and the amount of that penalty, the Board considers several factors.² Here, the Board declines to impose a civil penalty against any of the party unit's 2017 treasurers because each treasurer served for only part of 2017. The Board, however, will impose a civil penalty of \$3,000 against the Minneapolis DFL for being a party unit affiliated with a treasurer who knowingly failed to keep required records. The amount of the penalty is based on the large dollar amount of the transactions that did not have supporting records or were omitted from the report, the fact that the omitted transactions represented over half of the party unit's receipts and almost half of its expenditures, the fact that a significant portion of the omitted transactions

² Minnesota Statutes section 14.045, subdivision 3, lists factors that agencies must consider when setting the amount of a fine including the gravity, willfulness, and number of violations; the offender's past violations and economic benefit; and any other factor that justice requires.

should have been itemized on the report, and the party unit's failure to adequately oversee the treasurer transitions.

Although the party unit's 2017 and 2018 reports were inaccurate or untimely, nothing in the record suggests that a party unit treasurer certified a report knowing that it was false or omitted information. Mr. Zawila did not take over as treasurer until December 2017. He therefore was not familiar with the party unit's transactions during eleven months of that year. After becoming treasurer, Mr. Zawila submitted the year-end report based on his belief that it contained all of the party unit's financial transactions. When Mr. Zawila later discovered that some information was missing, he tried to amend the report. Similarly, Mr. Gilbert-Pederson did not submit the 2018 reports to the Board until he believed that they contained correct information. For these reasons, the Board concludes that neither Mr. Zawila nor Mr. Gilbert-Pederson certified a report to the Board knowing that it was false or omitted information.

Finally, the Board has the authority under Minnesota Statutes section 10A.02, subdivision 15, to waive late fees and civil penalties incurred for reports when good cause is shown. Typically, the Board considers a waiver request after the conclusion of an investigation. In this matter, however, the violation of the recordkeeping requirements in 2017 prevented the party unit from timely filing its 2018 reports, which led to the incurred late fees and civil penalties. Because the late fees and civil penalties arise out of the same facts that underlie the investigation, the Board will consider whether good cause exists to waive those late fees and civil penalties as part of the investigation. Given the lack of available records, the Board concludes that the Minneapolis DFL had good cause for not timely filing its 2018 pre-primary report. The Board therefore will waive the \$1,000 late fee and the \$1,000 civil penalty imposed for the 2018 pre-primary report. The party unit, however, did not contact the Board for help or respond to Board notices about the missing pre-primary report. Instead, the party unit allowed two more reporting periods to pass and still did not contact the Board until the matter was to be referred for litigation. Given the party unit's inaction, the Board finds that there is not good cause to waive the \$1,000 late fee or the \$1,000 civil penalty imposed for the 2018 pre-general report or the \$1,000 late fee imposed for the 2018 year-end report.

Based on the above analysis, the Board makes the following:

Findings of fact

1. The Minneapolis DFL Committee is a political party unit registered with the Board. The party unit needs a downward adjustment of \$1,251.42 to the beginning cash balance on its 2016 year-end report to account for discrepancies that arose before January 1, 2016.
2. The Minneapolis DFL had three treasurers in 2017: Tim Bonham, Dana Gutierrez, and Seth Zawila. All three treasurers knew that they needed to keep records of the party unit's financial transactions that would be sufficient to verify and explain the reports of receipts and expenditures filed with the Board.
3. Despite this knowledge, none of the treasurers kept records sufficient to verify and explain the party unit's 2017 report of receipts and expenditures. Specifically, the party unit does not have records showing the name and address of every contributor of over \$20 or a receipted bill for every expenditure. The party unit also does not have records showing the source of \$21,869.30 of its receipts.
4. The Minneapolis DFL is a party unit affiliated with a person who knowingly failed to keep records sufficient to explain required reports. The Minneapolis DFL also is responsible for

the failure to keep adequate records in this case because it did not follow policies or procedures to ensure that required records were maintained during the treasurer transitions.

5. Due to the inadequate recordkeeping, the Minneapolis DFL's 2017 year-end report did not accurately disclose all of its financial transactions. Specifically, the report omitted \$30,056.11 of its receipts and \$29,738.41 of its expenditures. The report also failed to itemize \$16,045 in receipts and \$27,107.74 in expenditures that were over \$200.
6. Due to the inadequate recordkeeping, the Minneapolis DFL filed untimely pre-primary, pre-general, and year-end reports for 2018. The Minneapolis DFL incurred \$3,000 in late fees for the untimely filed 2018 reports: \$1,000 each for the pre-primary, pre-general, and year-end reports. The party unit also incurred \$2,000 in total civil penalties for the reports: \$1,000 for the pre-primary report and \$1,000 for the pre-general report. The party unit did not contact the Board to ask for help or to explain the reason for the late reports until the Board was preparing to refer the matter to the attorney general's office for litigation to obtain the reports and amounts owed.
7. Neither Seth Zawila nor David Gilbert-Pederson signed or certified a report of receipts and expenditures knowing that it was false or omitted required information.

Based on the analysis and the findings of fact, the Board makes the following:

Conclusions of law

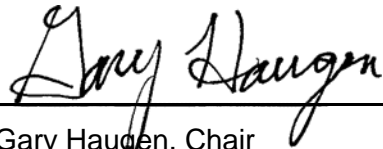
1. The Minneapolis DFL Committee and its 2017 treasurers violated Minnesota Statutes sections 10A.025, subdivision 3, and 10A.13, by failing to obtain and maintain required records of its receipts and expenditures sufficient to verify and explain its report of receipts and expenditures for that year.
2. The Minneapolis DFL Committee violated Minnesota Statutes section 10A.20, subdivision 3, by not filing a 2017 year-end report that accurately disclosed all of its financial transactions.
3. The Minneapolis DFL Committee and its treasurers did not violate the false certification provision in Minnesota Statutes section 10A.025, subdivision 2, paragraph (b), with respect to the 2017 year-end report.
4. The Minneapolis DFL Committee had good cause for failing to timely file its 2018 pre-primary report. The party unit did not have good cause for failing to timely file its 2018 pre-general and year-end reports.

Based on the analysis, findings of fact, and conclusions of law, the Board issues the following:

Order

1. The beginning cash balance on the Minneapolis DFL Committee's 2016 year-end report is adjusted downward by \$1,251.42.
2. The Minneapolis DFL Committee must file an amended year-end report for 2017. The party unit must work with Board staff to determine how to accurately report receipts and expenditures for which detailed information is not available. The amended report must be filed within 60 days of the date of this order.

3. A civil penalty in the amount of \$3,000 is assessed against the Minneapolis DFL for inadequate recordkeeping in 2017.
4. The \$1,000 late fee and the \$1,000 civil penalty incurred for the party unit's 2018 pre-primary report are waived for good cause. The \$2,000 in late fees and \$1,000 in civil penalties owed for the 2018 pre-general and year-end reports are not waived.
5. The Minneapolis DFL must pay the late filing fees and civil penalties within 30 days after the date of this order or enter into a payment plan with the Executive Director with 30 days after the date of this order. If the Minneapolis DFL enters into a payment plan, the total repayment period shall not exceed 18 months.
6. The Minneapolis DFL must require the party unit's chair and treasurer to attend annual Board compliance trainings in both 2021 and 2022 and must provide certifications of their attendance to the Board.
7. The Board investigation of this matter is concluded and hereby made a part of the public records of the Board pursuant to Minnesota Statutes section 10A.022, subdivision 5.



Gary Haugen, Chair
Campaign Finance and Public Disclosure Board

January 8, 2021

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

FINDINGS, CONCLUSIONS, AND ORDER

IN THE MATTER OF THE COMPLAINT OF RACHEL ROMANSKY REGARDING THE PERRY NOUIS FOR MINNESOTA COMMITTEE

Background

On October 19, 2020, the Campaign Finance and Public Disclosure Board received a complaint submitted by Rachel Romansky regarding the Perry Nouis for Minnesota committee. Perry Nouis for Minnesota is the principal campaign committee of Perry Nouis, a candidate for Minnesota House District 44A.

The complaint alleged that the Nouis committee mailed a flier promoting Mr. Nouis and a separate piece of campaign material promoting the candidacy of multiple state, federal, and local candidates, including Mr. Nouis and state senate candidate Greg Pulles, in the same envelope to Plymouth residents in District 44A. The piece of campaign material promoting multiple candidates included a disclaimer that stated “Independently Prepared & Paid for by G. Wegner, a Concerned Plymouth Citizen.” G. Wegner is George Wegner, the spouse of the Nouis committee’s chair. The campaign material promoting multiple candidates included several instances of the word “vote” and a sentence stating “[i]f you want stable, sound, local, state and federal government...Safe, Effective, Clean and Hopeful...vote to let these fine people represent us.”

The complaint also claimed that the Nouis committee used its website to promote the candidacies of other state and federal candidates by displaying images with the names of those candidates and the office each candidate sought, which were hyperlinked to the websites of the candidates.¹ The website included images with the names of two other state-level candidates, Greg Pulles and Gary Porter.

The complaint alleged that the value of the mailed campaign material promoting multiple candidates and the images posted on the Nouis committee’s website promoting other candidates were coordinated expenditures under Minnesota Statutes section 10A.176, subdivisions 6 and 7. The complaint alleged that the mailing and the website constituted contributions from the Nouis committee to the candidates named in those materials in violation of Minnesota Statutes section 10A.27, subdivision 9. The complaint did not allege or assert any facts indicating that Mr. Wegner or the Nouis committee coordinated their efforts with any other candidate.

¹ web.archive.org/web/20200813035511/https://perrynouisformn.com/CD3%20Candidates/index.htm

The complaint alternatively alleged that the mailing and the website constituted independent expenditures made by the Nouis committee in violation of Minnesota Statutes section 10A.25, subdivision 3a. That provision prohibits the principal campaign committee of a candidate who has signed the public subsidy agreement from making independent expenditures. Mr. Nouis filed his public subsidy agreement with the Board on May 24, 2020.

The complaint next alleged violations of the contribution limits established by Minnesota Statutes section 10A.27, subdivision 1. The basis for that allegation was the assertion that the Nouis committee accepted a contribution from Mr. Wegner valued in excess of \$1,000 and that the candidates named in the mailing accepted contributions valued in excess of their applicable contribution limits from the Nouis committee and/or Mr. Wegner.

The complaint also alleged circumvention under Minnesota Statutes section 10A.29, dissemination of false campaign material in violation of Minnesota Statutes section 211B.06, and placement of newspaper advertisements without the text "PAID ADVERTISEMENT" in violation of Minnesota Statutes section 211B.05.

Lastly, the complaint alleged that the Nouis committee prepared or disseminated campaign material without a disclaimer in the form required by Minnesota Statutes section 211B.04. The complaint referenced the committee's website, which displayed the following disclaimer: "This site is paid for by Perry Nouis for Minnesota, on behalf of conservative Americans deeply concerned about the future of the United States. It is not approved by, or coordinated with, any other candidate or candidate's committee." The committee's mailing address was displayed directly to the right of the disclaimer text on its website. The complaint referenced an advertisement printed in two editions of the Sun Sailor Newspaper,² which contained the following disclaimer: "Paid for by Perry Nouis for Minnesota Committee." The committee's website address was displayed directly above the disclaimer text within the newspaper advertisements. The complaint also referenced lawn signs with the following disclaimer: "Paid for by perrynouisformn.com."

On October 26, 2020, the Board chair determined that the complaint stated prima facie violations of the prohibition on independent expenditures under Minnesota Statutes section 10A.25, subdivision 3a, the individual contribution limit under Minnesota Statutes section 10A.27, subdivision 1, and the disclaimer requirement under Minnesota Statutes section 211B.04, by the Nouis committee. The chair determined that the complaint did not state a prima facie violation of the prohibition on making contributions to other candidates because it did not allege that the Nouis committee had coordinated its efforts with any other candidate. The chair also determined that the complaint did not state a prima facie violation of the circumvention prohibition because it did not assert any facts indicating that Mr. Wegner was prohibited from contributing directly to any of the candidates involved and it contained photographic evidence that the Nouis committee had not tried to hide its role in mailing the

² local.hometownsource.com/places/view/174423/join_me_in_defending_.html;
local.hometownsource.com/places/view/176253/join_me_in_defending_.html.

campaign material in question. Lastly, the chair dismissed the alleged violations of the prohibition on false campaign material under Minnesota Statutes section 211B.06 and the paid advertisement notice requirement under Minnesota Statutes section 211B.05, because the Board does not have investigative authority with respect to those provisions.

On November 9, 2020, the Board received a written response from Mr. Nouis to both the complaint and a letter from Board staff seeking answers to questions raised by the complaint. Mr. Nouis stated that Mr. Wegner contacted him in late September and emailed him a draft copy of the piece of campaign material promoting multiple candidates. The response says that Mr. Nouis provided minimal feedback regarding the draft and after some minor corrections were made by Mr. Wegner, Mr. Nouis contacted a vendor to have copies printed. Mr. Nouis explained that his committee paid for the printing but was reimbursed by Mr. Wegner. The Nouis committee's 2020 pre-general report of receipts and expenditures itemized a \$734.83 cash expenditure to account for the cost of printing and a \$734.83 cash contribution from Mr. Wegner to account for the reimbursement, as well as a separate \$100 cash contribution from Mr. Wegner. In his response Mr. Nouis stated that Mr. Wegner did not contribute more than \$1,000 to the Nouis committee.

Mr. Nouis stated that he mailed 1,675 envelopes containing both a flier promoting his candidacy and the piece of campaign material drafted by Mr. Wegner promoting multiple candidates. The Nouis committee spent \$1,050.92 for the envelopes, labels, and postage used to mail those materials. In response to a question from Board staff asking why the piece of campaign material promoting multiple candidates did not include a disclaimer stating it was paid for by the Nouis committee, Mr. Nouis stated:

There was no additional cost incurred by including Mr. Wegner's flyer in my mailing to Precinct 13 residents. Because his flyer included a disclaimer that it was prepared and paid for by him, it did not occur to me at the time that mailing it could be interpreted as a form of in-kind contribution to other candidates. My interpretation was that Mr. Wegner had written campaign material that included support for my campaign and that he had identified that material as his.

With respect to the Nouis committee's website, Mr. Nouis stated that no expenses were incurred to add images including the names of other candidates.

In response to a question from Board staff regarding the disclaimers displayed on the Nouis committee's website, advertisements in the Sun Sailor newspaper, and lawn signs, Mr. Nouis stated that the committee's "campaign materials have contained disclaimers substantially in the form required" by statute. Mr. Nouis provided copies of four pieces of campaign material that included a disclaimer in the form required by statute. Regarding the campaign material referenced in the complaint, Mr. Nouis stated:

My lawn signs contained disclaimers. According to this statute, if a disclaimer includes a committee's website, "and if the committee's website includes the committee's mailing address," the disclaimer is in compliance. My signs,

website, campaign literature, and newspaper ad disclaimers included my website.

At its meeting on December 2, 2020, the Board considered the probable cause determination in this matter. The Board determined that there was not probable cause to believe that a violation of the individual contribution limit occurred because there was no basis to believe that Mr. Wegner made contributions in excess of \$1,000 to the Nouis committee. The Board determined that there was probable cause to believe that the Nouis committee violated the prohibition on independent expenditures as well as the disclaimer requirement. The Board ordered an investigation of those allegations. Board staff then sent a letter to the Nouis committee asking for information about the cost of the committee's website, newspaper advertisements, and lawn signs.

On December 14, 2020, the Board received a written response from Mr. Nouis to the letter from Board staff and the probable cause determination. Mr. Nouis stated that he did not "have reason to believe my disclaimers were inadequate as I received DFL mailers at home and saw DFL candidate social media ads that contained similar disclaimers." Mr. Nouis also reiterated his belief that a disclaimer complies with Minnesota Statutes section 211B.04 if it includes a website address and that website includes the committee's mailing address. Mr. Nouis stated that his committee paid a total of \$57.12 for hosting of its website, which included domain name registration, and paid a total of \$404 for the two Sun Sailor newspaper advertisements referenced in the complaint. Mr. Nouis explained that his committee purchased 150 lawn signs that did not include the committee's name within the disclaimer, but only 32 of those signs were disseminated. The prorated cost to purchase those 32 signs with wire stakes, including shipping and tax, was \$150.97.

Analysis

Independent Expenditures

Minnesota Statutes section 10A.25, subdivisions 1 and 3a, provide that the principal campaign committee of a candidate who has signed a public subsidy agreement is prohibited from making independent expenditures. Minnesota Statutes section 10A.01, subdivision 18, defines "independent expenditure" to mean

an expenditure expressly advocating the election or defeat of a clearly identified candidate, if the expenditure is made without the express or implied consent, authorization, or cooperation of, and not in concert with or at the request or suggestion of, any candidate or any candidate's principal campaign committee or agent. An independent expenditure is not a contribution to that candidate.

In addition, a principal campaign committee that disseminates campaign material supporting both the committee's candidate and one or more other candidates must comply with Minnesota Rules 4503.1000, subpart 2, which states that a "candidate who produces and distributes campaign materials ... which include images of, appearances by, or references to one or more

other candidates, and which mention the candidacy of the other candidates or include a direct or indirect appeal for the support of the other candidates must collect from each of the other candidates a reasonable proportion of the production and distribution costs.”

Mr. Nouis explained that the Nouis committee was reimbursed for the cost of printing the campaign material promoting multiple candidates by Mr. Wegner, and did not incur any additional expense to include a copy of that material in each envelope containing a flier promoting Mr. Nouis’s candidacy. However, regardless of whether the Nouis committee incurred any additional expense to include the material drafted by Mr. Wegner, the committee paid for the postage necessary to disseminate that material. A principal campaign committee that distributes an independent expenditure for other candidates has made an expenditure that the entity that produced the independent expenditure material now does not need to make. The distribution of the independent expenditure is needed for the material to have any effect on the election, and the value of the distribution of the independent expenditure cannot be avoided by including other campaign literature with the independent expenditure.

Similarly, Mr. Nouis stated that no additional expenses were incurred to post images promoting the other candidates to the Nouis committee’s website. However, the Nouis committee paid for the dissemination of those images by paying for the hosting of its website. As with the mailing, a committee cannot avoid the prohibition on independent expenditures simply by stating that the inclusion of images with links to other candidates’ websites resulted in no additional expense to the committee.

Minnesota Statutes section 10A.28, subdivision 1, provides that the Board may impose “a civil penalty up to four times the amount by which the expenditures exceeded the limit” if a “candidate subject to the expenditure limits in section 10A.25 ... permits the candidate’s principal campaign committee to make expenditures or permits approved expenditures to be made on the candidate’s behalf in excess of the limits imposed by section 10A.25, as adjusted by section 10A.255.” The prohibition on independent expenditures is an expenditure limit because it limits the type of expenditures that a principal campaign committee is permitted to make if the candidate has signed the public subsidy agreement.³

The Board historically has imposed a civil penalty equal to one times the amount of the violation when a principal campaign committee has exceeded an expenditure limit for the first time. In this case the Nouis committee spent \$1,050.92 to mail two pieces of campaign material, only one of which was an independent expenditure. Because the two pieces of campaign material were enclosed within the same envelopes, half of the cost of mailing that material will be included in calculating a civil penalty. Because Mr. Wegner reimbursed the Nouis committee for

³ In a 2005 enforcement action the Board stated that Minnesota Statutes section 10A.25 does not provide for the imposition of a civil penalty for a violation of the prohibition on independent expenditures. However, in that instance the candidate in question reimbursed his principal campaign committee for the cost of an independent expenditure and the Board did not consider whether a civil penalty could be imposed under Minnesota Statutes section 10A.28, subdivision 1. [Findings Regarding \(Thomas\) Neuville for Senate Volunteer Committee \(June 7, 2005\)](#).

the cost of printing the independent expenditure material, that expense will not be included in calculating the civil penalty. The Nouis committee also spent a total of \$57.12 for its website, a small portion of which contained independent expenditure material supporting two other state candidates. Considering those factors, the Board will impose a civil penalty of \$550 for the violation of the prohibition on independent expenditures.

Disclaimers

Minnesota Statutes section 211B.04, subdivision 1, generally requires principal campaign committees to include a disclaimer on campaign material that prominently states “Prepared and paid for by the . . . committee, . . . (address).” “The address must be either the committee's mailing address or the committee's website, if the website includes the committee's mailing address.” Minn. Stat. § 211B.04, subd. 1. Campaign material is defined in Minnesota Statutes section 211B.01, subdivision 2, as “any literature, publication, or material that is disseminated for the purpose of influencing voting at a primary or other election, except for news items or editorial comments by the news media.” The disclaimer for a written independent expenditure must state “This is an independent expenditure prepared and paid for by (name of entity participating in the expenditure), (address). It is not coordinated with or approved by any candidate nor is any candidate responsible for it.” Minn. Stat. § 211B.04, subd. 2.

Mr. Nouis argues that if a disclaimer includes a website address and the website includes the committee’s mailing address, the disclaimer complies with Minnesota Statutes section 211B.04. That is correct insofar as the address is concerned. However, the disclaimer must also include other elements, namely the language “prepared and paid for by” followed by the name of the committee. The disclaimer displayed on the committee’s website included additional language, including some that is used to identify independent expenditures, and did not include a mailing address within the disclaimer text as required by statute. The disclaimer that appeared in the advertisement in the Sun Sailor newspaper likewise did not include an address in the disclaimer text. “Paid for by perrynouisformn.com,” the disclaimer text that appeared on the lawn sign depicted in the complaint, omits the committee’s name.

The disclaimer displayed on the mailed campaign material promoting multiple candidates did not include Mr. Wegner’s first name, the name of the Nouis committee, an address, or the text stating that it was “not coordinated with or approved by any candidate nor is any candidate responsible for it,” as required by Minnesota Statutes section 211B.04, subdivision 2. Although the Nouis committee was reimbursed for the cost of printing that material, the Nouis committee directly paid for the cost to disseminate the material. The Nouis committee therefore should have been identified as one of two entities that paid for the independent expenditure.

The Board may impose a civil penalty of up to \$3,000 for a violation of Minnesota Statutes section 211B.04. In determining the appropriate penalty for a violation of the disclaimer requirement the Board considers multiple factors such as whether it was clear who was responsible for the campaign material and how to contact them, whether the violation has been remedied, whether there were prior violations of the disclaimer requirement, the cost of the

campaign material and how widely it was disseminated, whether the violation was self-reported, and whether there is any basis for concluding that the violation was willful.⁴

Given their content, it is unlikely that the lack of a complete disclaimer on the committee's website, newspaper advertisements, and lawn signs caused confusion as to who prepared and paid for that material. However, the printed campaign material promoting multiple candidates may have caused confusion because it contained a disclaimer that did not identify the Nouis committee at all, did not include Mr. Wegner's full name, did not include an address, and did not include language required for independent expenditures. Mr. Nouis is a first-time candidate, his committee has no history of past violations of the disclaimer requirement, and there is no evidence in the record indicating that the committee willfully violated that requirement. Not including the cost to print the campaign material promoting multiple candidates and including only half of the cost of the mailing that contained that material, the Nouis committee spent over \$1,000 to prepare and disseminate the different types of campaign material that did not include disclaimers in the form required by statute. The newspaper advertisements were likely seen by thousands of individuals and the printed campaign material promoting multiple candidates was sent to 1,675 addresses, while only 32 of the lawn signs in question were disseminated. Considering those factors, the Board will impose a civil penalty of \$300 for the disclaimer violations.

Based on the above background and analysis, the Board makes the following:

Findings of Fact

1. Perry Nouis filed a public subsidy agreement with the Board pursuant to Minnesota Statutes section 10A.322 on May 24, 2020.
2. The Perry Nouis for Minnesota committee printed and mailed a piece of campaign material promoting multiple candidates including Mr. Nouis and Greg Pulles.
3. The mailed campaign material promoting multiple candidates contained several instances of the word "vote" and a sentence stating "[i]f you want stable, sound, local, state and federal government...Safe, Effective, Clean and Hopeful...vote to let these fine people represent us."
4. The campaign material promoting multiple candidates included the following disclaimer: "Independently Prepared & Paid for by G. Wegner, a Concerned Plymouth Citizen."
5. The Nouis committee mailed 1,675 copies of the campaign material promoting multiple candidates to Plymouth Precinct 13 residents in the same envelopes as a flier promoting Mr. Nouis's candidacy, at a cost of \$1,050.92 to the committee, not including the cost of

⁴ Minnesota Statutes section 14.045, subdivision 3, lists factors that agencies must consider when setting the amount of a fine including the gravity, willfulness, and number of violations; the offender's past violations and economic benefit; and any other factor that justice requires.

printing. Mr. Wegner reimbursed the Nouis committee for the cost of printing the material promoting multiple candidates, which was \$734.83.

6. The Nouis committee included on its website images containing the names of, and offices sought by, other candidates, including state candidates Greg Pulles and Gary Porter. Those images were hyperlinked to the websites of the individual candidates.
7. The Nouis committee's website displayed the following disclaimer: "This site is paid for by Perry Nouis for Minnesota, on behalf of conservative Americans deeply concerned about the future of the United States. It is not approved by, or coordinated with, any other candidate or candidate's committee." The committee's mailing address was displayed directly to the right of the disclaimer text on its website.
8. The Nouis committee did not incur any expense specifically to include images promoting other candidates on its website, but did pay a total of \$57.12 for hosting of the website.
9. The Nouis committee did not collect payment from any other candidate for a reasonable share of the production and distribution costs of the campaign materials described above pursuant to Minnesota Rules 4503.1000, subpart 2.
10. The Nouis committee did not coordinate its activities regarding the campaign materials described above with any other candidate.
11. The Nouis committee purchased an advertisement printed in two editions of the Sun Sailor Newspaper that contained the following disclaimer: "Paid for by Perry Nouis for Minnesota Committee." The committee's website address was displayed directly above the disclaimer text within the newspaper advertisements.
12. The Nouis committee paid a total of \$404 for the two advertisements described above. The print circulation of the Sun Sailor Newspaper is approximately 24,728.⁵
13. The Nouis committee purchased and disseminated 32 lawn signs that displayed the following disclaimer: "Paid for by perrynouisformn.com."
14. The Nouis committee paid \$150.97 for the lawn signs described above.
15. The mailed campaign material promoting multiple candidates and the committee's website, newspaper advertisements, and lawn signs, were prepared and disseminated for the purpose of influencing the election of candidates.

⁵ hometownsource.com/site/contact_us_-_sun_sailor.html

Based on the above analysis and findings of fact, the Board makes the following:

Conclusions of Law

1. The expenses incurred by the Perry Nouis for Minnesota committee related to the mailed campaign material promoting multiple candidates and its website were independent expenditures made in violation of Minnesota Statutes section 10A.25, subdivision 3a.
2. The Nouis committee violated Minnesota Statutes section 211B.04 when it prepared and disseminated the mailed campaign material promoting multiple candidates, its website, two newspaper advertisements, and lawn signs, without disclaimers in the form required by statute.

Based on the above findings of fact and conclusions of law, the Board issues the following:

Order

1. A civil penalty in the amount of \$550 is assessed against the Perry Nouis for Minnesota committee for violating the prohibition of independent expenditures under Minnesota Statutes section 10A.25, subdivision 3a.
2. A civil penalty in the amount of \$300 is assessed against the Nouis committee for violating the disclaimer requirement in Minnesota Statutes section 211B.04.
3. The Nouis committee is directed to forward to the Board payment of the civil penalties, by check or money order payable to the State of Minnesota, within 30 days of the date of this order.
4. If the Nouis committee does not comply with the provisions of this order, the Board's executive director may request that the attorney general bring an action on behalf of the Board for the remedies available under Minnesota Statutes section 10A.34.
5. The Board investigation of this matter is concluded and hereby made a part of the public records of the Board pursuant to Minnesota Statutes section 10A.022, subdivision 5.

/s/ Gary Haugen
Gary Haugen, Chair
Campaign Finance and Public Disclosure Board

Date: January 8, 2021

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

FINDINGS, CONCLUSIONS, AND ORDER

IN THE MATTER OF THE COMPLAINT OF DONAVON INDOVINO CAWLEY REGARDING THE VOTE
DUCKWORTH (ZACH) COMMITTEE

Background

On October 30, 2020, the Campaign Finance and Public Disclosure Board received a complaint submitted by Donavon Indovino Cawley regarding the Vote Duckworth (Zach) committee. Vote Duckworth (Zach) is the principal campaign committee of Zach Duckworth, a candidate for Minnesota Senate District 58.

The complaint alleged that the Duckworth committee ran a Facebook advertisement supporting Seth Lewis, an Illinois House of Representatives candidate, which was a contribution made in violation of Minnesota Statutes section 10A.27, subdivision 9. The complaint included a screenshot indicating that the advertisement began running on October 26, 2020, and included the language “Paid for by Vote Duckworth” in the disclaimer. The advertisement consisted of a 15-second video featuring Mr. Lewis that appears to have been prepared by Mr. Lewis’s campaign committee, Citizens for Seth Lewis.¹

The complaint next alleged that the Duckworth committee failed to disclose several expenditures or noncampaign disbursements including the cost of Facebook advertisements for the Duckworth committee, Mr. Duckworth’s filing fee, food and beverages served at two campaign events, and materials used to display the committee’s campaign signs. The complaint alleged that those failures were violations of Minnesota Statutes section 10A.13, which requires that a treasurer keep accounting records for each expenditure.

Lastly, the complaint alleged that the Duckworth committee failed to timely disclose the cost of its website because it disclosed an expenditure dated August 17, 2020, but the website had been available for several months prior to that date. The complaint alleged that the failure to timely disclose the cost of the website was a violation of Minnesota Statutes section 10A.18, which states that a vendor owed money by a principal campaign committee must promptly render a bill or invoice.

On November 10, 2020, the Board chair determined that the complaint stated prima facie violations of the prohibition on making a contribution to a candidate in another state under Minnesota Statutes section 10A.27, subdivision 9, paragraph (d), and the reporting requirements under Minnesota Statutes section 10A.20, subdivision 3, with respect to the Duckworth committee’s Facebook advertisements and website and the cost of Mr. Duckworth’s

¹ [facebook.com/ads/library/?id=393677601668834](https://www.facebook.com/ads/library/?id=393677601668834)

filing fee. The Board chair determined that the complaint did not state a prima facie violation of the reporting requirements with respect to the cost of food and beverages served at campaign events or materials used to display the committee's campaign signs, because those allegations required speculation to support the assertion that a violation occurred. The Board chair dismissed the alleged violation of Minnesota Statutes section 10A.13 because the complaint did not allege that the Duckworth committee failed to keep any accounting records required by that statute. The Board chair also dismissed the alleged violation of Minnesota Statutes section 10A.18 because that provision does not impose any obligation on a principal campaign committee and the complaint did not allege that any vendor failed to timely bill the Duckworth committee for goods or services.

The Board received a written response from Mr. Duckworth to the complaint and prima facie determination on the evening of December 1, 2020. With respect to the Facebook advertisement supporting a candidate in another state, Mr. Duckworth explained that his committee did not request or approve the advertisement. Instead, it was created in error by a vendor that manages advertising for multiple candidates throughout the country and no expenditure by the Duckworth committee occurred. Mr. Duckworth stated that an expenditure of \$2,500 dated October 15, 2020, which was paid to MW Political and disclosed on the Duckworth committee's 2020 pre-general report of receipts and expenditures, included the cost of Facebook advertisements for the Duckworth committee. Mr. Duckworth acknowledged that the committee did not report the cost of his filing fee and said that an amended report would be filed to address that error. With respect to the cost of the committee's website, Mr. Duckworth stated that the committee accurately disclosed that it paid \$700 to NationBuilder in August 2020 for that website.

At its meeting on December 2, 2020, the Board considered the probable cause determination in this matter. The Board determined that there was probable cause to believe that the Duckworth committee made a contribution to a candidate in another state in violation of Minnesota Statutes section 10A.27, subdivision 9, paragraph (d). Publicly available information provided by Facebook indicated that some amount of money had been paid for the advertisement supporting the candidate in another state. Although the Duckworth committee claimed that it had not paid for this advertisement, there was not enough time between the receipt of the committee's response and the Board meeting to confirm this claim.

The Board also determined that there was probable cause to believe that the Duckworth committee violated the reporting requirements under Minnesota Statutes section 10A.20, subdivision 3, with respect to the committee's Facebook advertisements and website and the cost of Mr. Duckworth's filing fee. Publicly available information provided by Facebook indicated that despite the disclosure of \$2,500 paid to MW Political and \$699.99 paid directly to Facebook, at least \$1,200 in Facebook advertisements for the Duckworth committee that ran during the time period covered by the 2020 pre-general report were not disclosed.² Also, the response provided by Mr. Duckworth did not explain why the committee did not disclose any

² [facebook.com/ads/library/?view_all_page_id=897840073747223](https://www.facebook.com/ads/library/?view_all_page_id=897840073747223)

expenditures for its website during the months prior to August 2020. The Board ordered an investigation of the matter. Board staff then sent a letter to the Duckworth committee asking for information regarding its Facebook advertisements and the cost of its website. On December 18, 2020, Board staff also notified the Duckworth committee that it needed to file an amended 2020 pre-general report within 10 days pursuant to Minnesota Statutes section 10A.025, subdivision 4.

On December 29, 2020, the Board received a written response from Mr. Duckworth to the staff letter and the probable cause determination. Mr. Duckworth provided confirmation from MW Political that the Duckworth committee had not paid for the Facebook advertisement supporting the candidate in another state. With respect to the committee's website Mr. Duckworth explained that his committee recently had discovered that starting in January 2020, the monthly fee for its website was billed to Mr. Duckworth's personal credit card rather than the committee's debit card. Mr. Duckworth stated his committee would reimburse him for those payments and file an amended report.

Mr. Duckworth contends that his committee did not have any unpaid bills for Facebook advertisements at the end of the reporting period covered by the 2020 pre-general report, which was October 19, 2020. Mr. Duckworth explained that the committee's Facebook advertisements were created and managed by MW Political, the committee paid MW Political for its services rather than paying Facebook directly, and the committee "disclosed all payments made regarding Facebook advertisements and MW Political during the reporting period in question." Mr. Duckworth states that his committee:

incurred expenses owed to MW Political upon receipt of invoices due to MW Political – that is a different and separate timeline than when ads were or were not run by MW Political. MW Political continued running Facebook ads on behalf of the Vote Duckworth Committee, but did not invoice the committee until after the filing period in question – therefore, the Vote Duckworth Committee had no unpaid bills, or knowledge of incurred expenses, to report at the time of filing. It would be impossible for the Vote Duckworth Committee to record unpaid bills or incurred expenses on a report for which it had no knowledge.

Analysis

Contribution to a candidate in another state

Minnesota Statutes section 10A.27, subdivision 9, paragraph (d), states that a "candidate or the treasurer of a candidate's principal campaign committee must not make a contribution from the principal campaign committee to a candidate for political subdivision office in any state." For purposes of that provision, payment of the cost of disseminating an advertisement prepared by another candidate is a contribution to that candidate. In this matter, however, the investigation showed that the Duckworth committee did not pay for the advertisement supporting Mr. Lewis. Because no expenditure occurred, no contribution was made by the Duckworth committee.

Reporting

Pursuant to Minnesota Statutes section 10A.20, subdivision 3, reports of receipts and expenditures must contain itemized and summary information disclosing contributions received and expenditures and noncampaign disbursements made during each reporting period. In-kind contributions and corresponding in-kind expenditures or noncampaign disbursements must be reported in accordance with their fair market value if that value exceeds \$20. An expenditure or noncampaign disbursement is considered to occur at the time when an obligation to pay that expense is incurred. Pursuant to Minnesota Statutes section 10A.01, subdivision 9, an expenditure includes an advance of credit. Minnesota Rules 4503.0100, subpart 8, provides that an unpaid bill “means an advance of credit for which payment has not been made. An advance of credit is an unpaid bill from the time it is incurred, regardless of when an actual invoice is received.” Therefore, an expenditure or noncampaign disbursement that has been incurred but has not yet been paid must be reported as an unpaid bill.

Mr. Duckworth argues that it was impossible for his committee to report the value of unpaid bills related to his committee’s Facebook advertisements because those advertisements were managed by a third-party vendor that did not invoice the committee until after the end of the reporting period covered by the 2020 pre-general report. However, the committee could have asked its vendor for the approximate total of non-invoiced services provided to the committee through October 19, 2020, and then included that total as an unpaid bill when filing its 2020 pre-general report. The committee then would correct the amount, if needed, on the report covering the date when the bill was paid. If committees were allowed to avoid reporting unpaid bills for the reasons set forth by the Duckworth committee, committees would be able to avoid disclosing a significant portion of their spending until after a general election had occurred, which would undermine the purpose of the reporting provisions in Minnesota Statutes section 10A.20.

The Duckworth committee has acknowledged that it mistakenly failed to report the payment of Mr. Duckworth’s filing fee and expenditures for the committee’s website prior to August 2020. Despite being advised of the need to do so, the Duckworth committee has failed to promptly file an amended 2020 pre-general report to address those issues.

Based on the above background and analysis, the Board makes the following:

Findings of Fact

1. A Facebook advertisement supporting Seth Lewis, an Illinois House of Representatives candidate, was disseminated via the Facebook account of the Vote Duckworth (Zach) committee. The Duckworth committee did not request, approve, or pay for the advertisement, which was created in error by a vendor.
2. The Duckworth committee did not disclose the amount paid for Mr. Duckworth’s filing fee on its 2020 pre-primary and pre-general reports of receipts and expenditures.

3. The Duckworth committee did not disclose some of its expenditures related to Facebook advertisements that ran during the time period covered by its 2020 pre-general report.
4. The Duckworth committee did not disclose expenditures related to its website prior to August 2020 on its 2020 pre-primary and pre-general reports. That expense was paid for by Mr. Duckworth.
5. The Duckworth committee was notified that it needed to amend its 2020 pre-general report but has not yet filed that amendment.

Based on the above analysis and findings of fact, the Board makes the following:

Conclusions of Law

1. The Vote Duckworth (Zach) committee did not make a contribution to a candidate in another state as alleged in the complaint.
2. The Duckworth committee violated Minnesota Statutes section 10A.20, subdivision 3, when it failed to disclose some of the expenditures made for its Facebook advertisements and website and the noncampaign disbursement for Mr. Duckworth's filing fee.
3. The Duckworth committee violated Minnesota Statutes section 10A.025, subdivision 4, when it failed to file an amended 2020 pre-general report within 10 days of being notified of inaccuracies within that report.

Based on the above findings of fact and conclusions of law, the Board issues the following:

Order

1. The Vote Duckworth (Zach) committee must file an amended 2020 pre-general report within 10 days of the date of this order. The amended report must include a noncampaign disbursement for the payment of Mr. Duckworth's filing fee. The amended report must also include campaign expenditures related to the committee's Facebook advertisements and website, as well as any other expenditures, that remained unpaid as of October 19, 2020.
2. If an amended 2020 pre-general report addressing the issues listed in paragraph 1 above is not filed within 10 days, on the 11th day, the Duckworth committee will begin to incur a late filing fee of \$25 per day up to a maximum of \$1,000 pursuant to Minnesota Statutes section 10A.025, subdivision 4.

3. If the Duckworth committee does not comply with the provisions of this order, the Board's executive director may request that the attorney general bring an action on behalf of the Board for the remedies available under Minnesota Statutes section 10A.34.
4. The Board investigation of this matter is concluded and hereby made a part of the public records of the Board pursuant to Minnesota Statutes section 10A.022, subdivision 5.

/s/ Gary Haugen
Gary Haugen, Chair
Campaign Finance and Public Disclosure Board

Date: January 8, 2021