

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

**Findings, Conclusions, and Order in the Matter of the Cass County DFL Committee
and the Leech Lake Gaming Division**

Summary of the Facts

On November 5, 2013, the Board issued findings that the Cass County DFL Committee (Cass County DFL) and the Leech Lake Gaming Division had violated Minnesota Statutes section 10A.27, subdivision 13, which in 2012 required certain disclosures from unregistered associations that contributed more than \$100 to a political party unit registered with the Board.

The November findings arose out of a routine reconciliation audit of the 2012 Report of Receipts and Expenditures that Cass County DFL filed with the Board. On this report, Cass County DFL disclosed receipt of a \$2,500 contribution from the Leech Lake PAC, a registered political committee. The Leech Lake PAC, however, had not reported making this contribution.

In a response to the Board's inquiry, James Morales, gaming director for the Leech Lake Band, called the payment a "contribution" and stated that it was actually made by the Leech Lake Gaming Division "to provide the funding to the Leech Lake Youth Build Program for the Wellstone Action Training." The Leech Lake Gaming Division is not registered with the Board. As an unregistered association, the Leech Lake Gaming Division would be required to provide the appropriate disclosure with any contribution to a party unit in excess of \$100. No disclosure statement was provided with the \$2,500 contribution.

In a letter dated August 28, 2013, Randi Agens, treasurer for Cass County DFL, confirmed that the \$2,500 payment came from the Leech Lake Gaming Division and repeatedly referred to the payment as a contribution. Ms. Agens also said that Cass County DFL had returned the contribution to the Leech Lake Gaming Division to correct the situation.

Based on the letters from James Morales and Randi Agens, the Board found that the Leech Lake Gaming Division, as an unregistered association, had made a \$2,500 contribution to Cass County DFL without providing the required disclosure. The Board imposed civil penalties on both Cass County DFL and the Leech Lake Gaming Division.

After the findings were issued, both the Leech Lake Gaming Division and Cass County DFL asked for reconsideration. Both parties provided additional information about the \$2,500 transaction. The Leech Lake Band stated that the "Cass County DFL hosted [the] Wellstone Action Training" and that the "Band paid \$2,500.00 to the Cass County DFL to allow as many Band members as possible to attend the leadership development and community service training." The letter stated that payment was "for services to allow Leech Lake Band members to attend . . . [the] training. It was not a donation or contribution for political purposes or to influence voters in any manner." The letter also explained that staff turnover had prevented the Band from providing this explanation for the earlier proceeding.

In its reconsideration request, Cass County DFL acknowledged that in the earlier proceedings, it focused on rectifying the situation instead of providing details to the Board about the transaction. Cass County DFL said that as a result, the Board "did not have complete information when it considered this inquiry."

Cass County DFL stated that they “proposed to the [Leech Lake Band] that the two entities host a Wellstone Action training session.” The two associations raised funds for the event and the Leech Lake Band “agreed to sponsor 25 enrolled band members, at a cost of \$100 each, or \$2,500.” Cass County DFL took the lead in setting up the event and handling the logistics, and the Leech Lake Band paid Cass County DFL directly for its portion of the event.

Cass County DFL said that Ms. Agens did not receive or deposit the check in question because a former treasurer had taken these steps. Cass County DFL stated that, having not seen the check, “Ms. Agens assumed the transaction was a ‘contribution’ and relied on the list of registered units matching to ‘Leech Lake . . .’ to select the contributor when submitted the year-end report.”

The Board granted the request for reconsideration and reconsidered this matter at its meeting of April 22, 2014.

Based on the information outlined in the above Summary of the Facts and the relevant statutes, the Board makes the following:

Findings

1. The information provided to the Board by the Cass County DFL Committee and the Leech Lake Band of Ojibwe in response to its initial inquiries in this matter was incomplete and did not fully describe the nature of the \$2,500 transaction between the parties. The Board’s November 5, 2013, Findings and Order in this matter, therefore, were based on an incomplete set of facts.
2. The complete facts in this matter show that the Wellstone Action training was not an event paid for by the Leech Lake Band to benefit the Cass County DFL Committee. Instead it was an event jointly held and paid for by Cass County DFL and the Leech Lake Band.
3. The \$2,500 payment from the Leech Lake Gaming Division to Cass County DFL was reimbursement to the party unit for the Leech Lake Gaming Division’s share of the costs of holding this event. The payment, therefore, was not a contribution to the Cass County DFL Committee.
4. The \$2,500 payment from the Leech Lake Gaming Division should have been reported as miscellaneous income by the Cass County DFL Committee on its 2012 year-end report.

Conclusions

1. The Cass County DFL Committee did not violate Minnesota Statutes section 10A.27, subdivision 13, when it accepted a payment in excess of \$100 from an unregistered association without receiving the appropriate disclosure with the contribution.
2. The Leech Lake Gaming Division did not violate Minnesota Statutes section 10A.27 subdivision 13 (b), when it made a payment in excess of \$100 to the Cass County DFL Committee without providing the required disclosure with the contribution.

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

ORDER

1. The Board rescinds the civil penalty of \$2,400 imposed in its November 5, 2013, Order on the Cass County DFL Committee for accepting a contribution from an unregistered association without the disclosure required by Minnesota Statutes section 10A.27, subdivision 13.
2. The Board rescinds the civil penalty of \$1,000 imposed in its November 5, 2013, Order on the Leech Lake Gaming Division for making a contribution in excess of \$100 without providing the disclosure required by Minnesota Statutes section 10A.27, subdivision 13(b).
3. The Cass County DFL Committee is directed to amend its 2012 and 2013 year-end reports within 30 days. The Committee must reclassify the \$2,500 payment from the Leech Lake Gaming Division in 2012 as miscellaneous income and must also reclassify the \$2,500 repayment from the Leech Lake PAC in 2013 as miscellaneous income for the purpose of reimbursing the Cass County DFL for a share of the cost of holding the 2012 Wellstone training.
4. If the Cass County DFL Committee does not comply with the provisions of this order, the Board's Executive Director may request that the Attorney General bring an action for the remedies available under Minnesota Statutes section 10A.34.
5. The Board investigation of this matter is hereby made a part of the public records of the Board pursuant to Minnesota Statutes section 10A.02, subdivision 11, and upon the amendment of the Cass County DFL Committee's year-end reports, this matter is concluded.

Dated: April 22, 2014

/s/ Deanna Wiener

Deanna Wiener, Chair
Campaign Finance and Public Disclosure Board