

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

**Findings and Order in the Matter of the Complaint of Karl Bremer
regarding an individual using the name "Bobby Thompson"**

Summary of the Complaint and Investigation

On July 27, 2010, the Campaign Finance and Public Disclosure Board ("the Board") received a complaint from Karl Bremer regarding two contributions received by the Marty Seifert for Governor Committee in 2009. Mr. Bremer ("Complainant") alleged that contributions, in the amount of \$500 each from individuals identified as "Bobby Thompson" and "Maria D'Annuzio", were in fact from the same individual. Mr. Bremer alleged that Maria D'Annuzio did not exist and that both contributions were from Bobby Thompson.

The complaint included references to other investigations of the person known as Bobby Thompson that suggested that the source of his money may be an allegedly fraudulent group of charities he was operating under the name "United States Navy Veterans Association" ("USNVA").

The facts alleged in the complaint, if true, would constitute a violation of Minnesota Statutes, section 10A.29, which prohibits circumvention of the contribution limit and disclosure provisions of Chapter 10A by making contributions in the name of another. An individual who violates this provision is subject to a civil penalty of up to \$3,000 per violation, which may be imposed by the Board, and is subject to prosecution for a gross misdemeanor.

Minnesota Statutes Section 10A.27 prohibits the acceptance by a gubernatorial campaign committee of aggregate contributions of more than \$500 made or delivered by an individual in a non-election year. Although not specifically alleged in the complaint, if the Seifert for Governor Committee accepted two \$500 contributions from "Bobby Thompson", this would constitute a violation of Minnesota Statutes Section 10A.27. Even if the two \$500 contributions were not from the same donor, a violation would result if both contributions were "delivered by" the same individual.

Mr. Bremer subsequently supplemented his complaint by providing additional information about "Bobby Thompson" and the United States Navy Veterans Association. Among other citations, the information provided by Complainant referenced an extensive investigation of "Bobby Thompson" and USNVA conducted by the *St. Petersburg (Florida) Times*. The supplemental information also included a press release from the Ohio Attorney General regarding the issuance of an arrest warrant for the person referred to as "Bobby Thompson".

The press release states, in part:

Ohio Attorney General Richard Cordray and Hamilton County Prosecutor Joseph Deters today announced that a nationwide arrest warrant for identity fraud has been issued for the man claiming to be "Bobby Thompson," director of the U.S. Navy Veterans Association (USNVA), a supposed charity based in Florida. "Thompson" disappeared in June amid a growing number of state investigations into the organization's fundraising and spending, including revelations that the man who appears to have orchestrated this sham charity made hundreds of thousands of dollars in political contributions to candidates throughout the United States.

As part of its investigation, staff reviewed documents USNVA filed with the charities division of the Office of the Attorney General from 2004 through 2009. Those filings disclose a total of more than \$1.5 million in contributions raised in Minnesota.

An investigation of the Board's records disclosed the following contributions from an individual identified as Bobby Thompson with the reported address of 1043 Grand Ave #555, St. Paul MN

55105, and who listed the U.S. Navy Veterans Association or U.S. Navy Veterans Association Minnesota Chapter as his employer:

8/25/2008	House Republican Campaign Committee	\$5,000
4/22/2009	House Republican Campaign Committee	\$1,000
5/20/2009	House Republican Campaign Committee	\$1,000
4/26/2010	Patriot PAC	\$5,000
9/4/2008	Citizens for David Carlson Committee, 67B	\$500
7/10/2009	Marty Seifert Gov. Committee	\$500

A search of Board records found that the only contribution made in the name of Maria D'Annuzio was the contribution identified in the complaint: a \$500 contribution made on July 10, 2009, to the Marty Seifert for Governor Committee. The employer provided for Maria D'Annuzio was the U.S. Navy Veterans Association Minnesota Chapter.

The Board contacted the Seifert for Governor Committee on November 2, 2010, for assistance with the investigation of the donations made in the names of Maria D'Annuzio and Bobby Thompson. On November 12, 2010, Diane Johnson, Treasurer for the committee, provided the Board with a copy of a check in the amount of \$500 signed with the name Bobby Thompson. The check was drawn from a personal bank account of "Bobby Thompson" located in Florida.

The check included a Tampa Florida address that others have reported as a duplex from which "Bobby Thompson" ran USNVA. The Board confirmed that the address is, in fact, a duplex in Tampa. The address on the donor card submitted by "Bobby Thompson" with the check is 1043 Grand Ave #555, St. Paul MN 55105. The employer listed on the contributor card is the U.S. Navy Veterans Association Minnesota Chapter.

Ms. Johnson also provided a copy of a money order for \$500 and a hand written note submitted with the money order and check. The note is on United States Navy Veterans Association letterhead. The note reads: "Marty, With my compliments, Bobby" and is followed by printed information apparently intended to identify the contributor of the money order. The printed text lists Maria D'Annuzio, with an address of 1043 Grand Ave #555, St. Paul MN 55105. The employer listed is the US Navy Veterans Association Minnesota Chapter. The printed information includes the words "personal funds". The designation "personal funds" was also on the contribution card completed by the person identified as Bobby Thompson. In reference to these contributions Ms. Johnson states: "To the best of my recollection, we received these contributions via U.S. Mail in response to a fundraising letter we sent using a mailing list we rented."

Staff attempted to contact Maria D'Annuzio and Bobby Thompson at 1043 Grand Ave #555, St. Paul, MN but learned that the address is a leased mailbox in a UPS store.

The Board issued an administrative subpoena to the UPS store in order to examine business records related to "Bobby Thompson" or Maria D'Annuzio. UPS records show that the mailbox was leased for the U.S. Navy Veterans Association by "Bobby Thompson" in 2007. A copy of "Bobby Thompson's" Florida driver's license was attached to the mailbox lease. The photo on the driver's license appears to be the same individual identified as "Bobby Thompson" in the nationwide arrest warrant press release materials and in other investigative reports.

The most recent contact between the UPS Store and USNVA was a telephone conversation between store personnel and an unidentified woman in May of 2010, when the mailbox lease was renewed.

All mail received at the St. Paul UPS store was forwarded to a Florida address that the Board learned was another UPS mailbox leased in the name of the U.S. Navy Veterans Association.

The St. Paul mailbox lease, forwarding instructions, and other information in the UPS files contain no reference to Maria D'Annuzio.

Board staff interviewed the manager of the St. Paul UPS store who explained that the entire transaction of renting the mailbox was conducted by facsimile transmission of documents. He had never met "Bobby Thompson" or "Maria D'Annuzio".

Board staff used the Board's subscription locator service to attempt to find information on Maria D'Annuzio. The database did not contain anyone named Maria D'Annuzio residing in any state. Additionally, the staff review of charities reports filed by USNVA with the Office of the Minnesota Attorney General between 2004 and 2009 did not disclose the name Maria D'Annuzio.

The UPS store mailbox application materials also included a copy of a business card listing U.S. Navy Veterans Association on the left side and LCDR Bobby Thompson, USNR (Ret.) on the right. The card included a photograph that appeared to be the same person identified by the State of Ohio as the person for whom it had issued an arrest warrant. The business card included a social security number.

Board staff ran the social security number through its subscription locator service and the addresses returned included a "Bobby Thompson" who had lived in Washington State since 2006. Staff attempted to contact this individual, but the person answering the number provided by the search service indicated that the number was recently assigned to her and that there was no Mr. Thompson at that number. The search also disclosed addresses in Florida that have been used by the "Bobby Thompson" who is the subject of this investigation.

The Board obtained from courts in the Ohio judicial system copies of various documents resulting from Ohio's investigation of the individual using the name Bobby Thompson. Through these documents, the Board learned that this individual is the subject of a warrant for identity fraud. The affidavit of Chief Detective McKinley Brown swears that this individual is using the identity of one Bobby Thompson of Bellingham, Washington. This is the same Bobby Thompson that the Board's locator service disclosed as the holder of the social security number used by the individual making political contributions in Minnesota.

The affidavit of Detective Brown also notes that the UPS mailbox documentation in Cincinnati included a Florida issued identification card bearing the number T 512-063-46-061-0. The documentation the Board obtained from the St. Paul UPS Store includes a copy of a Florida identification card with the same number and a photograph that appears to be the same as the person identified by Ohio as their suspect.

The Board also learned that the Office of the Ohio Attorney General convened a grand jury for the presentation of the criminal matter and the possible issuance of an indictment. As a result of the grand jury investigation, an indictment was filed on October 13, 2010, charging "Bobby Thompson" with one count of money laundering and one count of aggravated theft. Additionally, the indictment charged Bobby Thompson, Blanca Contreras and other unknown individuals with operating a corrupt enterprise to carry out aggravated theft and money laundering. An additional arrest warrant was issued based on the grand jury indictment.

The Board interviewed Joey Gerdin, who is the Chair of the Patriot PAC, a political committee registered with the Board and one of the recipients of a contribution from "Bobby Thompson". Ms. Gerdin also was the Finance Director of the House Republican Campaign Committee in 2008 when "Bobby Thompson" made a \$5,000 contribution to that party unit. Ms. Gerdin identified pictures of the "Bobby Thompson" sought in the nationwide arrest warrant and from the St. Paul UPS store records as a person she met in 2008 at the Republican National Convention in St. Paul. This

"Bobby Thompson" would later make contributions to the House Republican Campaign Committee and the Patriot PAC .

Ms. Gerdin provided the Board with a copy of the check received by the Patriot PAC for \$5,000 from "Bobby Thompson". The check was drawn on a different personal Florida bank account than the contribution to the Seifert for Governor Committee. The check to the Patriot PAC listed the Tampa UPS mailbox as the address of "Bobby Thompson".

The Board also issued an administrative subpoena to Qwest Communications in order to determine if phone records for two 651 area code phone numbers associated with the U.S. Navy Veterans Association could be used to confirm the existence of Maria D'Annuzio or to contact "Bobby Thompson". Qwest informed the Board that one of the phone numbers was no longer in service and that the other number was ported (permanently forwarded to another provider) to a company named American Voicemail, Inc. When called, the ported number plays a recorded message stating that the number dialed is no longer accepting messages.

Board staff contacted the company at the St. Paul address that Qwest had provided for American Voicemail, Inc. and learned that American Voicemail had previously rented space for its equipment in an office suite rented by another tenant. Staff was advised that American Voicemail had vacated the premises and removed its automated voicemail equipment at least three years previously.

Having exhausted the reasonable methods available to the Board to contact "Bobby Thompson" or Maria D'Annuzio, and aware that other law enforcement agencies were unsuccessful in locating the individual known as "Bobby Thompson", further efforts to locate these individuals were not undertaken.

Because "Bobby Thompson" operated his "charity" in many states and, according to the investigations of others, used many bank accounts, the Board concluded that it did not have the resources to track the flow of money into the account used by "Bobby Thompson" to make political contributions in Minnesota.

Board Analysis

The Board investigation of the complaint was in order to determine whether contributions made in the name of Bobby Thompson or Maria D'Annuzio violated Chapter 10A. The complaint did not allege, and the Board investigation found no evidence to believe, that the committees that accepted the contributions were aware that "Bobby Thompson" was not the contributor's true identity. While Chapter 10A requires that the treasurer of a committee collect and report the name, address, and employer of individuals who contribute more than \$100, the treasurer is not required to verify the identity, address, or employment information provided by contributors.

The contributions were made from either a personal checking account or, in one case, by money order with an attached note saying personal funds were used for the donation. Based on the checks and money order there was no reason for the committees to question if personal funds were used for the contributions.

While other investigators have concluded that the individual known as Bobby Thompson misappropriated funds from the U.S. Navy Veterans Association, the scope of the Board's investigation did not include determining the source of funds used for the donations made to Minnesota committees.

Circumvention of Chapter 10A

Minnesota Statutes, section 10A.29 provides that:

“An individual or association that attempts to circumvent this chapter by redirecting a contribution through, or making a contribution on behalf of, another individual or association is guilty of a gross misdemeanor and subject to a civil penalty imposed by the board of up to \$3,000.”

There is sufficient evidence to find probable cause to believe that the individual making political contributions in Minnesota using the name "Bobby Thompson" was not, in fact, Bobby Thompson of Bellingham, Washington, the owner of the social security number used by the donor in Minnesota.

Making a donation "through" or "on behalf of another" individual is circumvention as defined in Minnesota Statutes Section 10A.29. The Board interprets this provision as precluding the making of a donation in the name of another individual regardless of whether or not that individual is aware of the transaction or, in fact, whether that individual even exists.

The Board concludes that the contributions by the person using the name "Bobby Thompson" were done in a manner that deliberately circumvented the disclosure and, in the case of the Seiffert contributions, the contribution limits imposed by Section 10A.27..

Because of the pattern and seriousness of the violations, the Board imposes the maximum penalty of \$3,000 for each of the seven contributions made by "Bobby Thompson". The Board's order will direct the Executive Director to monitor news reports and, with the assistance of the Office of the Attorney General, take action to collect these penalties in the event the location and true identity of the donor become known.

Excess Contributions

The two contributions made to the Seifert for Governor Committee by "Bobby Thompson", one in that name and one in the name of Maria D'Annuzio, total \$1,000. In 2009, the contribution limit from an individual to a gubernatorial committee was \$500.

Minnesota Statutes Section 10A.27, which sets contribution limits, provides that

"a candidate must not permit the candidate's principal campaign committee to accept aggregate contributions ***made or delivered*** by any individual . . . in excess of the [specified limits]." (Emphasis added.)

In the Seiffert transaction, both checks came in the same envelope with a note stating: "With my compliments" and signed "Bobby". The note also includes the donor information for the donation from Maria D'Annuzio. The evidence suggests that both of these contributions actually came from "Bobby Thompson". Regardless of whether that is the case or not, it is clear that they were both *delivered* by "Bobby Thompson". Either scenario results in a violation of the contribution limits statute.

The Board recognizes that Section 10A.27 also includes an exception to the bundling prohibition for contributions delivered by and individual on behalf of that individual's spouse.

The Seifert committee was advised of the potential bundling violation and responded on May 25, 2011. Diane Johnson, treasurer, stated that she was aware of the bundling prohibition and that she concluded that the two contributions in the envelope from "Bobby Thompson" did not constitute bundling. She points out that the envelope contained only two contributions; one from a male and one from a female, both with the same address and employer and that no one else from that employer sent contributions in the same envelope.

Ms. Johnson states that she believed that the donors "were married or were life partners, not a case of bundled funds". The Board notes that only spouses, which means married persons, may deliver each other's contributions. The treasurer is mistaken in her belief that the exception applies more broadly to other relationships.

This matter is unique in the Board's experience, involving an individual who apparently used a fictitious name and created an additional fictitious name for the purpose of avoiding disclosure and contribution limits provisions of Minnesota statutes. Here, the treasurer had no way of knowing that "Maria D'Annunzio" apparently did not exist. She was aware of the bundling prohibition and the exception and concluded that the two contributions did not constitute bundling.

The statutes are silent on the extent to which a treasurer must investigate to determine whether two checks in an envelope are from spouses. Further, the Board has not promulgated any administrative rule to provide guidance. In this matter, a better approach would have been for the treasurer to contact the donors and inquire about their marital status. However, the analysis the treasurer did was not unreasonable based on the information provided with the contributions.

The reasonableness of the treasurer's assumptions, however, does not eliminate the violation. Rather, it mitigates against the application of penalties. When a violation occurs, the remedy is in the Board's discretion. In this matter, the Board does not believe that the imposition of financial penalties on the Seifert for Governor committee is necessary to further the goals of Chapter 10A.

Contributions From an Unregistered Association

Contributions of more than \$100 from associations not registered with the Board are prohibited if not accompanied by statutorily specified disclosure.

There is evidence to suggest that the actual source of funds used by "Bobby Thompson" for the subject contributions was the proceeds of charitable donations made to the United States Navy Veterans Association, an unregistered association. However, the scope of the Board's investigation did not reach that question and the Board will not make a finding in that regard.

Disposition of contributions from "Bobby Thompson"

In other states, and at the federal level, recipients of contributions from "Bobby Thompson" have transferred the proceeds to charities. However, Minnesota Statutes, Section 211B.12 limits charitable contributions to \$100 per charity per year, making that option less effective.

The Board recognizes that, with the benefit of this and other investigations, some committees that accepted contributions from the individual claiming to be Bobby Thompson may find it inconsistent with their policies or philosophy to retain those contributions. A committee that wishes to dispose of these contributions may make donations to charities as prescribed in Section 211B.12, or may forward the proceeds to the Board for deposit in the general fund of the State of Minnesota. The divestiture of these funds would be reported as a general expenditure by a political committee or as a noncampaign disbursement by a principal campaign committee.

Based on the above Board's investigation and the Relevant Statutes, the Board makes the following:

Findings Concerning Probable Cause

1. There is probable cause to believe that the individual representing himself as Bobby Thompson violated Minnesota Statutes, section 10A.29, by making a contribution in the name of Maria D'Annunzio to circumvent the contribution limits of Chapter 10A.
2. There is probable cause to believe that the Seifert for Governor principal campaign committee violated Minnesota Statutes Section 10A.27 when it accepted two contributions, both delivered

by the person identifying himself as "Bobby Thompson" and totaling \$1,000.

3. There is no probable cause to believe that the violation by the Seifert for Governor committee was intentional or that the treasurer did not act reasonably in accepting the contributions.
4. There is probable cause to believe that the individual representing himself as Bobby Thompson violated Minnesota Statutes, section 10A.29, by making contributions with a false identity to circumvent the disclosure provision of Chapter 10A.
5. There is no probable cause to believe that any of the committees that received the contributions were aware that "Bobby Thompson" was not the person he purported himself to be, and that the contributions resulted in circumvention of Minnesota Statutes Chapter 10A.

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

Order

1. The Board imposes a civil penalty of \$3,000 on the individual who represented himself as Bobby Thompson for making a contribution in the name of Maria D'Annuzio in violation of Minnesota Statutes, section 10A.29.
2. The Board imposes an additional civil penalty of \$18,000 on the individual who represented himself as Bobby Thompson, representing a separate civil penalty of \$3,000 for each of the six contributions made under a false identity in violation of Minnesota Statutes, section 10A.29.
3. The Board directs the Executive Director to monitor other states' efforts to locate the individual using the name "Bobby Thompson" to make political contributions in Minnesota. If this individual is located, the Executive Director is to work with the Office of the Attorney General to engage in efforts to collect the civil penalties imposed by this Order.
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.02, Subdivision 11.

Dated: May 31, 2011

/s/ John Scanlon

John Scanlon, Chair
Campaign Finance and Public Disclosure Board

Relevant Statutes

10A.27 CONTRIBUTION LIMITS.

Subdivision 1. **Contribution limits.** (a) Except as provided in subdivision 2, a candidate must not permit the candidate's principal campaign committee to accept aggregate contributions made or delivered by any individual, political committee, or political fund in excess of the following:

(1) to candidates for governor and lieutenant governor running together, \$2,000 in an election year for the office sought and \$500 in other years;

...

(b) The following deliveries are not subject to the bundling limitation in this subdivision:

...

(2) a delivery made by an individual on behalf of the individual's spouse.

10A.29 CIRCUMVENTION PROHIBITED.

An individual or association that attempts to circumvent this chapter by redirecting a contribution through, or making a contribution on behalf of, another individual or association is guilty of a gross misdemeanor and subject to a civil penalty imposed by the board of up to \$3,000.

211B.12 LEGAL EXPENDITURES.

Use of money collected for political purposes is prohibited unless the use is reasonably related to the conduct of election campaigns, or is a noncampaign disbursement as defined in section 10A.01, subdivision 26. The following are permitted expenditures when made for political purposes:

(1) salaries, wages, and fees;

(2) communications, mailing, transportation, and travel;

(3) campaign advertising;

(4) printing;

(5) office and other space and necessary equipment, furnishings, and incidental supplies;

(6) charitable contributions of not more than \$100 to any charity organized under section 501(c)(3) of the Internal Revenue Code annually, except that the amount contributed by a principal campaign committee or from the campaign fund of a candidate for political subdivision office that dissolves within one year after the contribution is made is not limited by this clause; and

(7) other expenses, not included in clauses (1) to (6), that are reasonably related to the conduct of election campaigns. In addition, expenditures made for the purpose of providing information to constituents, whether or not related to the conduct of an election, are permitted expenses. Money collected for political purposes and assets of a political committee or political fund may not be converted to personal use.